State of Wisconsin
2013 - 2014 LEGISLATURE

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2013 ASSEMBLY BILL 40

February 20, 2013 - Introduced by JOINT COMMITTEE ON FINANCE, by request of Governor Scott Walker. Referred to Joint Committee on Finance. Referred to Joint Survey Committee on Tax Exemptions. Referred to Joint Survey Committee on Retirement Systems.

AN ACT **relating to:** state finances and appropriations, constituting the executive budget act of the 2013 legislature.

Analysis by the Legislative Reference Bureau

INTRODUCTION

This bill is the "executive budget bill" under section 16.47 (1) of the statutes. It contains the governor's recommendations for appropriations for the 2013–2015 fiscal biennium.

The bill repeals and recreates the appropriation schedule in chapter 20 of the statutes, thereby setting the appropriation levels for the 2013–2015 fiscal biennium. The descriptions that follow relate to the most significant changes in the law that are proposed in the bill. In most cases, changes in the amounts of existing spending authority and changes in the amounts of bonding authority under existing bonding programs are not discussed.

For additional information concerning this bill, see the Department of Administration's publication *Budget in Brief* and the executive budget books, the Legislative Fiscal Bureau's summary document, and the Legislative Reference Bureau's drafting files, which contain separate drafts on each policy item. In most cases, the policy item drafts contain a more detailed analysis than is printed with this bill.

GUIDE TO THE BILL

As is the case for all other bills, the sections of the budget bill that affect statutes are organized in ascending numerical order of the statutes affected.

Treatments of prior session laws (styled "laws of [year], chapter ...." from 1848 to 1981, and "[year] Wisconsin Act ...." beginning with 1983) are displayed next by year of original enactment and by act number.

The remaining sections of the budget bill are organized by type of provision and, within each type, alphabetically by state agency. The first two digits of the four–digit section number indicate the type of provision:

91XX Nonstatutory provisions.
92XX Fiscal changes.
93XX Initial applicability.
94XX Effective dates.

The remaining two digits indicate the state agency or subject area to which the provision relates:

XX01 Administration.
XX02 Agriculture, Trade and Consumer Protection.
XX03 Arts Board.
XX04 Building Commission.
XX05 Child Abuse and Neglect Prevention Board.
XX06 Children and Families.
XX07 Circuit Courts.
XX08 Corrections.
XX09 Court of Appeals.
XX10 District Attorneys.
XX11 Educational Communications Board.
XX12 Employee Trust Funds.
XX13 Employment Relations Commission.
XX14 Financial Institutions.
XX15 Government Accountability Board.
XX16 Governor.
XX17 Health and Educational Facilities Authority.
XX18 Health Services.
XX19 Higher Educational Aids Board.
XX20 Historical Society.
XX21 Housing and Economic Development Authority.
XX22 Insurance.
XX23 Investment Board.
XX24 Joint Committee on Finance.
XX25 Judicial Commission.
XX26 Justice.
XX27 Legislature.
XX28 Lieutenant Governor.
XX29 Local Government.
XX30 Medical College of Wisconsin.

XX31 Military Affairs.
XX32 Natural Resources.
XX33 Public Defender Board.
XX34 Public Instruction.
XX35 Public Lands, Board of Commissioners of.
XX36 Public Service Commission.
XX37 Revenue.
XX38 Safety and Professional Services.
XX39 Secretary of State.
XX40 State Employment Relations, Office of.
XX41 State Fair Park Board.
XX42 Supreme Court.
XX43 Technical College System.
XX44 Tourism.
XX45 Transportation.
XX46 Treasurer.
XX47 University of Wisconsin Hospitals and Clinics Authority.
XX48 University of Wisconsin System.
XX49 Veterans Affairs.
XX50 Wisconsin Economic Development Corporation.
XX51 Workforce Development.
XX52 Other.

For example, for general nonstatutory provisions relating to the State Historical Society, see SECTION 9120. For any agency that is not assigned a two–digit identification number and that is attached to another agency, see the number of the latter agency. For any other agency not assigned a two–digit identification number or any provision that does not relate to the functions of a particular agency, see number "52" (**Other**) within each type of provision.

In order to facilitate amendment drafting and the enrolling process, separate section numbers and headings appear for each type of provision and for each state agency, even if there are no provisions included in that section number and heading. Section numbers and headings for which there are no provisions will be deleted in enrolling and will not appear in the published act.

Following is a list of the most commonly used abbreviations appearing in the analysis.

DATCP ... Department of Agriculture, Trade and Consumer Protection
DCF ..... Department of Children and Families
DETF ..... Department of Employee Trust Funds
DFI ..... Department of Financial Institutions
DHS ..... Department of Health Services
DMA ..... Department of Military Affairs
DNR ..... Department of Natural Resources
DOA ..... Department of Administration

DOC ..... Department of Corrections
DOJ ..... Department of Justice
DOR ..... Department of Revenue
DOT ..... Department of Transportation
DPI ..... Department of Public Instruction
DSPS ..... Department of Safety and Professional Services
DVA ..... Department of Veterans Affairs
DWD ..... Department of Workforce Development
JCF ..... Joint Committee on Finance
OCI ..... Office of the Commissioner of Insurance
PSC ..... Public Service Commission
UW ..... University of Wisconsin
WEDC .... Wisconsin Economic Development Corporation
WHEDA .. Wisconsin Housing and Economic Development Authority
WHEFA ... Wisconsin Health and Educational Facilities Authority

AGRICULTURE

Under current law, DATCP administers the Soil and Water Resource Management Program, which funds grants for projects to control soil erosion and reduce water pollution. This bill increases the general obligation bonding authority for the Soil and Water Resource Management Program by $7,000,000.

This bill authorizes DATCP to provide grants to persons operating dairy processing plants to promote the growth of the dairy industry.

Current law requires DATCP to award a grant in each fiscal year from the agrichemical management fund for technical education and research under the Wisconsin grazing lands conservation initiative. This bill eliminates that requirement.

COMMERCE AND ECONOMIC DEVELOPMENT

Financial institutions

Under current law, a consumer credit transaction that is entered into for personal, family, or household purposes, as well as certain consumer leases, are generally subject to the Wisconsin Consumer Act (consumer act). The consumer act grants consumers certain rights and remedies and contains notice and disclosure requirements and prohibitions relating to consumer credit transactions.

This bill creates requirements that specifically apply to rental–purchase agreements, imposes requirements on rental–purchase companies, and exempts rental–purchase companies and rental–purchase agreements from the scope of the consumer act and from provisions of the Uniform Commercial Code relating to security interests. A "rental–purchase agreement" is an agreement between a rental–purchase company and a lessee for the use of rental property if: 1) the rental property is to be used primarily for personal, family, or household purposes; 2) the agreement has an initial term of four months or less and is renewable with each payment after the initial term; 3) the agreement does not obligate the lessee to renew the agreement beyond the initial term; and 4) the agreement permits the lessee to acquire ownership of the rental property.

The bill requires a rental–purchase company to file notice with DFI within 30 days after commencing business in this state and to pay an annual fee to DFI, except for a rental–purchase company that generates less than 75 percent of its revenues in this state from transactions involving rental–purchase agreements. The bill also limits the maximum amount that a rental–purchase company may charge in a rental–purchase transaction and that a lessee must pay to acquire ownership of rental property if the lessee elects an early–purchase option. The bill specifies conditions under which a lessee may reinstate a rental–purchase agreement that has ended without losing any rights or options previously acquired. Upon reinstatement, the rental–purchase company must provide the lessee with the same rental property or with comparable substitute property. A rental–purchase company must provide written notice to a lessee of the lessee's rights and obligations relating to reinstatement of the rental–purchase agreement within 15 days of repossession or voluntary return or surrender of the rental property, if the lessee is entitled to reinstatement.

The bill specifies that a rental–purchase company is not required to disclose a finance charge calculated as an annual percentage rate. However, every rental–purchase agreement must contain certain provisions, including a description of the rental property; the cash price of the rental property; the total amount of the rental payments and charges necessary to acquire ownership of the property; the rental payment and an itemized description of all charges or fees; and a summary of the lessee's early–purchase option and an explanation of the lessee's reinstatement rights of the rental–purchase agreement. The bill also prohibits the inclusion of certain provisions in a rental–purchase agreement, including those granting the rental–purchase company permission to enter the lessee's residence to repossess the rental property; requiring the lessee to purchase insurance from the rental–purchase company; and requiring the lessee to pay attorney fees. Upon request, a rental–purchase company must provide the lessee with a copy of the lessee's payment history. The bill also creates requirements and limitations for advertising rental–purchase transactions. The bill includes provisions relating to liability of a rental–purchase company for violations of these provisions.

ECONOMIC DEVELOPMENT

Under current law, WEDC administers various programs that provide tax benefits to businesses. The jobs tax credit program and the enterprise zone tax credit program provide tax benefits to businesses that create or retain certain full–time jobs in this state. The economic development tax credit program provides tax benefits to businesses that conduct eligible activities, including creating full–time jobs, investing in new equipment, machinery, or property, and locating or retaining corporate headquarters, in this state.

Under current law, the total amount of tax credits that WEDC may allocate under the economic development tax credit program may not exceed the sum of the tax credits remaining under the tax credit programs that were consolidated to create the economic development tax credit program and $25,000,000. This bill increases the total amount of benefits that WEDC may allocate under the economic development tax credit program by $75,000,000.

Under current law, WEDC may award tax benefits under the jobs tax credit program in an amount that is equal to 10 percent of the wages a business pays to certain full–time employees who annually earn at least $20,000 or $30,000, depending on where the business is located. Under this bill, WEDC may award tax benefits under the jobs tax credit program in an amount that is up to 10 percent of the wages a business pays to certain full–time employees who annually earn at least: (a) 150 percent of federal minimum wage for 2,080 hours or (b) $30,000, depending on where the business is located.

Under current law, a business certified by WEDC may receive tax benefits under the enterprise zone tax credit program for certain full–time employees in an amount that is up to 7 percent of the amount by which the annual wages for each of those employees exceeds either $20,000 or $30,000, depending on where the business is located. Under this bill, the amount of tax benefits that a business may receive under the enterprise zone tax credit program is up to 7 percent of the amount by which the annual wages for each full–time employee exceeds either: (a) 150 percent of federal minimum wage for 2,080 hours or (b) $30,000, depending on where the business is located.

Under current law, for purposes of the jobs tax credit program, the economic development tax credit program, the enterprise zone tax credit program, and the development opportunity zone tax credit program, subject to certain exceptions, a "full–time job" is defined as a job in which an individual must work at least 2,080 hours per year as a condition of his or her employment. Under this bill, WEDC may make an exception to the 2,080 hours per year requirement under all these tax credit programs if a job annually pays at least 2,080 times 150 percent of the federal minimum wage and the job offers full–time benefits.

Under current law, WHEFA may issue a bond to finance certain projects undertaken by a health, educational, or research institution or to refinance outstanding debt of a health, educational, or research institution. This bill authorizes WHEFA to issue a bond to finance any project undertaken by a nonprofit institution for a nonprofit facility, and to refinance outstanding debt of a nonprofit institution.

Under current law, DOA may administer housing programs funded by the federal community development block grant. Under this bill, DOA may administer any program funded by the federal community development block grant, including the community development grant and revolving loan fund programs.

CORRECTIONAL SYSTEM

Under current law relating to community youth and family aids, known as youth aids, DOC must allocate various state and federal moneys to counties to pay for state–provided juvenile correctional services and local juvenile justice services. DOC charges counties for the costs of services provided by DOC according to per person cost assessments (the "daily rate").

This bill increases daily rates as follows:

1. For fiscal year 2013–14, the daily rate is $297 for care in a Type 1 juvenile correctional facility, $297 for care for juveniles transferred from a juvenile

correctional institution, $125 for corrective sanctions services, and $41 for aftercare services.

2. For fiscal year 2014–15, the daily rate is $304 for care in a Type 1 juvenile correctional facility, $304 for care for juveniles transferred from a juvenile correctional institution, $128 for corrective sanctions services, and $41 for aftercare services.

Current law requires DOC to have a revolving fund consisting of money DOC has that belongs to persons on probation, parole, or extended supervision who have absconded or whose whereabouts are unknown. DOC must use the fund to defray certain expenses for persons on probation, parole, and extended supervision who are without means. This bill eliminates the requirement that DOC have such a revolving fund.

CRIMES

Under current law, certain individuals are required to submit biological specimens to the crime laboratories in DOJ for deoxyribonucleic acid (DNA) analysis, including a juvenile who has been adjudicated delinquent for certain offenses; an individual who is or was in prison for a felony or found guilty of a felony; an individual who was found guilty of fourth–degree sexual assault, lewd and lascivious behavior, or exposing genitals to a child for sexual gratification; an individual who has been found not guilty by reason of mental disease or defect for certain sex offenses; a person who has been found to be a sexually violent person; and an individual who is required by a court to provide a biological specimen. Under this bill, the following individuals must submit biological specimens for DNA analysis: a juvenile who has been adjudicated delinquent, or taken into custody, for an offense that would be a felony if committed by an adult, fourth–degree sexual assault, endangering safety by the use of a dangerous weapon, lewd and lascivious behavior, prostitution, patronizing prostitutes, pandering, failure to submit a biological specimen, or exposing genitals to a child for sexual gratification; an adult who is convicted of a misdemeanor; and an adult who is arrested for a felony or for fourth–degree sexual assault, endangering safety by the use of a dangerous weapon, lewd and lascivious behavior, prostitution, patronizing prostitutes, pandering, failure to submit a biological specimen, or exposing genitals to a child for sexual gratification. If, at the time the individual is charged with one of these offenses, the court determines that a biological specimen was not obtained when he or she was arrested or taken into custody, the court must order a law enforcement agency to obtain the specimen.

Under current law, specimens obtained must be submitted to the crime laboratories in DOJ for DNA analysis and inclusion of the DNA profile in the data bank. An individual whose DNA data are in the data bank due to a conviction or adjudication may request in writing that the data be removed on the grounds that the conviction or adjudication has been reversed, set aside, or vacated. If the crime laboratories receive a certified copy of the court order reversing, setting aside, or vacating the conviction or adjudication, the laboratories must purge all records and identifiable information in the data bank pertaining to the individual and destroy all samples from the individual. Under this bill, if an individual submitted a specimen at arrest, when taken into custody, or by court order, DOJ must similarly

purge all records and information upon a written request if all charges requiring submission have been dismissed; if the trial court reached a final disposition and the individual was not found guilty of any charges requiring submission; if at least one year has passed since the arrest and the individual has not been charged; or if the individual was found guilty of a crime requiring submission but all such convictions have since been reversed, set aside, or vacated.

Under current law, if a court imposes a sentence or places an individual on probation for a sex offense, the court must impose a DNA analysis surcharge of $250 and if a court imposes a sentence or places an individual on probation for a felony conviction that is not a sex offense, the court may impose a DNA analysis surcharge of $250. Under this bill, if a court imposes a sentence or places an individual on probation, the court must impose a $250 DNA surcharge for any felony conviction and a $200 DNA surcharge for any misdemeanor conviction.

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, a school board may enter into a contract with a person to establish a charter school, which operates with fewer constraints than traditional public schools. Current law also permits UW–Milwaukee, UW–Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of such charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.

This bill creates the Charter School Oversight Board (CSOB), attached to DPI, and authorizes it to approve nonprofit, nonsectarian organizations, or consortia of such organizations, to contract with persons to operate independent charter schools. The CSOB consists of the state superintendent of public instruction and ten other members. Of the latter members, two are appointed by the state superintendent, two are appointed by the governor, and six by the leaders in the senate and assembly. The bill prohibits the CSOB from promulgating administrative rules and provides that any policy or standard adopted by the CSOB is exempt from the rule–making process.

For any school established on or after the bill's effective date, the bill eliminates the authority of the entities specified above, and of any approved nonprofit organization, to establish an independent charter school directly. Under the bill, a charter school may be established only by contract and must be operated by a charter school governing board, although an existing independent charter school authorizer may continue to operate a charter school established before the effective date of the bill. The bill removes the restrictions that limit who may attend an independent charter school.

A nonprofit, nonsectarian organization or consortium of such organizations that wishes to contract with a charter school governing board to operate a charter school must submit an application to the CSOB in accordance with certain specified requirements. The CSOB must approve or deny an application within 90 days.

The bill provides that the contract between an authorizing entity and the independent charter school's governing board must allow the authorizing entity to

charge the governing board a fee. The contract must also allow the charter school governing board to open additional charter schools if the charter school governed by the contract receives a rating from DPI of "exceeds expectations" or "significantly exceeds expectations." The bill makes this provision applicable to existing contracts with independent charter schools as well.

The bill allows a charter school contract to provide for more than one charter school, and allows a charter school governing board to enter into more than one contract. The bill allows a school board to prohibit a pupil who resides in the school district from attending an independent charter school unless the school district's enrollment is at least 4,000 and at least two schools in the school district were rated "fails to meet expectations" or "meets few expectations" in DPI's most recent school report.

Current law prohibits a school board from converting all of the public schools in the school district to charter schools unless the school board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. In addition, a school board may not grant a petition to establish a charter school that would result in the conversion of all the public schools in the school district to charter schools unless at least 50 percent of the teachers employed by the school district sign the petition. This bill eliminates the restrictions on converting all of a school district's public schools to charter schools and explicitly permits a school board to do so.

Current law provides that no pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents, if the pupil is a minor. This bill provides that this prohibition does not apply if all of a school district's public schools are converted to charter schools.

The bill requires that a charter school accept pupils at random if the capacity of the school is insufficient to accept all applicants. A charter school must, however, give preference to pupils who were enrolled in the school in the previous school year and to siblings of currently enrolled pupils. In addition, the bill allows a charter school to give preference, with certain limitations, to children of the charter school's founders, governing board members, and full–time employees.

Current law provides that, unless otherwise explicitly provided, the school code (chapters 115 to 121 of the Wisconsin statutes) does not apply to charter schools. This bill prohibits a contract between a school board and the operator of a charter school that is an instrumentality of a school district from imposing on the operator any requirement in the school code that does not explicitly apply to charter schools.

The bill also requires that a contract between a school board and the operator of a charter school that is an instrumentality of a school district do all of the following:

1. Specify the amount, which must be commensurate with the average per pupil cost for the school district, to be paid to the charter school operator for each pupil attending the charter school.

2. Grant the charter school operator sole discretion over the charter school's budget, curriculum, professional development activities, hiring of personnel, and personnel policies for the charter school, unless a decision in any of these areas affects the health or safety of pupils.

Under current law, beginning in the 2013–14 school year, the state pays an operator of a charter school that is operated by or under contract with an independent charter school authorizer a per pupil amount in each school year that is based on the per pupil amount the state paid in the previous school year and the revenue limit adjustment for public schools.

Under this bill, in the 2013–14 school year, the state pays an operator of an independent charter school a per pupil amount of $7,852 and, beginning in the 2014–15 school year, the state pays an operator of an independent charter school a per pupil amount in each school year of $7,931.

Under current law, a pupil living in the city of Milwaukee or an eligible school district (currently, only the Racine Unified School District) may, under a parental choice program, attend a private school at state expense if, among other conditions, the pupil is a member of a family that has a total family income that does not exceed 300 percent of the poverty level.

This bill expands the parental choice program for eligible school districts by making eligible a school district having at least 4,000 pupils and in which two or more schools in the district have been placed in a performance category of "fails to meet expectations" or "meets few expectations" (qualifying categories) on an accountability report published by DPI. If, after a school district has been identified as an eligible school district, at least 20 pupils who reside in the school district apply to attend private schools under the parental choice program, the eligible school district becomes a qualifying eligible school district and qualifying pupils who reside in that school district may attend a private school under the parental choice program.

In the 2013–14 school year, no more than 500 pupils residing in qualifying eligible school districts may participate in the expanded parental choice program. In the 2014–15 school year, participation cannot exceed 1,000 pupils.

Currently, under the parental choice programs, the state pays a participating private school, for a pupil enrolled in the school under the program, the lesser of the school's educational cost per pupil or the amount paid per pupil in the previous school year increased by the percentage change in the amount appropriated as general school aid. In the 2011–12 and 2012–13 school years, however, the state pays the school's educational cost per pupil or $6,442, whichever is less.

This bill changes the payments that the state makes to a private school participating in a parental choice program as follows:

1. In the 2013–14 school year, for a pupil enrolled in the school under the program, the state pays the lesser of the school's educational cost per pupil or $6,442.

2. In the 2014–15 school year and thereafter, for a pupil enrolled in the school under the program, the state pays the lesser of the school's educational cost per pupil or $7,050, if the pupil is in a grade from kindergarten to eight, or $7,856, if the pupil is in a grade from nine to twelve.

Currently, a private school participating in a parental choice program must accept applications submitted under the choice program on a random basis. However, under current law, a participating private school may give a preference to a sibling of a pupil who is accepted on a random basis. Under this bill, a participating

private school may, when accepting applications submitted under a choice program, give preference to any of the following:

1. Pupils, or siblings of pupils, who attended the private school during the school year prior to the school year for which the application is being made.

2. Siblings of pupils who have been accepted to the private school for the school year for which the application is being made.

3. Pupils who attended any private school in a choice program during the school year prior to the school year for which the application is being made.

Current law directs DPI to establish a student information system to collect information about pupils enrolled in public schools, including their academic performance and demographic information. Within five years of the system's establishment, every school district must use the system. This bill includes charter schools in the student information system. The bill also provides that within five years of the system's establishment, every private school participating in a parental choice program must use the system or use another system that is interoperable with the state system.

This bill establishes a Special Needs Scholarship Program. Under the program, a child with a disability may receive a scholarship to attend a public school located outside the pupil's school district of residence, a charter school, or a private school, if all of the following conditions are met:

1. The school has notified DPI of its intent to participate in the program and the child has been accepted by the school.

2. If the school is a private school, it is approved as a private school by DPI or is accredited.

3. An individualized education program (IEP) has been completed for the child.

4. The child attended a public school, attended a charter school, attended a private school under a parental choice program, or did not attend school in this state, in the previous school year.

Upon receipt of an application for a scholarship, DPI must review the child's IEP and determine the amount of the child's scholarship. The amount is the lesser of the cost to the child's school district of residence, the charter school, or private school that the child wishes to attend, of providing regular instruction, instructional and pupil support services, special education and related services, and supplementary aids and services to the child plus the per pupil operating and debt service costs; or the statewide cost per public school pupil in the previous school year plus the per pupil amount appropriated for special education in the previous school year. The number of scholarship recipients in any school year may not exceed five percent of the total number of children with disabilities residing in this state in the previous school year.

DPI pays the scholarship directly to the school district, charter school, or private school. The scholarship continues while the child attends a school eligible to participate in the program until he or she graduates from high school or until the end of the school term in which he or she turns 21, whichever comes first.

Under the bill, a pupil attending a private school, or a public school outside the pupil's school district of residence, under the program is counted for state aid

purposes by the pupil's school district of residence. However, the state aid paid to that school district is reduced by the total amount of scholarships paid by DPI for pupils who reside in that school district.

Each private school participating in the program must annually submit to DPI a school financial report prepared by a certified public accountant. If the private school expects to receive at least $50,000 in scholarships during a school year, it must either file a surety bond with DPI or provide DPI with information demonstrating that it has the ability to pay an amount equal to the total amount of scholarships that it expects to receive.

The bill provides that if a child attends a private school under the program, his or her school district of residence must provide transportation to and from the school in certain circumstances. If the child attends a public school under the program, the child's parent is responsible for transporting the child to and from school unless transportation is required in the child's IEP. If the latter applies, the school district that the child attends is responsible for transporting the child. The bill allows a low–income pupil to apply to DPI for reimbursement of transportation costs.

The bill authorizes DPI to bar a school from participating in the program if the school intentionally and substantially misrepresents information required under the bill, routinely fails to comply with financial standards, uses a pupil's scholarship for any purpose other than educational purposes, or fails to refund any scholarship overpayments to the state. The bill directs the Legislative Audit Bureau to contract for a study of the program.

Under the current part–time Open Enrollment Program, a high school pupil may apply to take one or two courses at a public school located outside the pupil's school district of residence under certain circumstances. The pupil's resident school board must pay to the nonresident school board an amount equal to the cost of providing the course to the pupil. The pupil's resident school board may reject the pupil's application under one of two circumstances: 1) the course conflicts with the pupil's IEP; or 2) the cost of paying for the pupil to attend the course would impose an undue financial burden on the resident school district.

This bill allows pupils in all grades to participate in the program. The bill also allows a pupil to attend a UW institution, a technical college, a nonprofit institution of higher education, a tribal college, a charter school, or a nonprofit organization that is approved by DPI. The bill prohibits the educational institution that the pupil attends from charging to or receiving from a pupil or the pupil's resident school board any payment that is in addition to the one determined by DPI.

The bill also eliminates the ability of a resident school board to reject an application on the basis of undue financial burden. However, a resident school board may reject an application if the school board determines that the course the pupil wishes to take at an educational institution does not conform to or support the pupil's academic and career plan or does not satisfy a high school graduation requirement.

This bill requires DPI to ensure that, beginning in the 2017–18 school year, every school board is providing academic and career planning services to pupils enrolled in grades 6 to 12. DPI is also required to purchase, install, and maintain information technology that will be used by school districts statewide to provide

academic and career planning to pupils in grades 6 to 12 and to provide training and technical assistance to school districts and school district staff related to implementing academic and career plans.

Under current law, a pupil enrolled in a home–based private educational program who has met the standards for admission to high school may take up to two courses each semester in any school in the pupil's resident school district if there is space in the classroom. This bill expands this opportunity to permit any pupil enrolled in a home–based private educational program to attend up to two courses in any public school in any school district in the state that has space. The bill permits a school district that allows such a pupil to attend a course to count the pupil for equalization aid purposes as 0.25 pupil for each course the pupil attends.

Current law requires the state superintendent of public instruction to adopt examinations to be administered to pupils in grades four, eight, and ten. Current law also requires the school board of each school district, the operator of each charter school, and the governing body of each private school participating in a parental choice program to administer the examinations to pupils enrolled in those grades in each school in the district, in the charter school, and in the participating private school, respectively.

This bill requires the state superintendent of public instruction to adopt examinations to be administered, beginning in the 2014–15 school year, to pupils in grades nine and eleven in the same manner as examinations are administered in grades four, eight, and ten.

Under current law, each school board and each independent charter school must annually assess all pupils in four–year–old and five–year–old kindergarten for reading readiness using an assessment selected by DPI. If a reading readiness assessment indicates that a pupil is at risk of reading difficulty, the school board or charter school must provide the pupil with certain reading services.

Under this bill, beginning in the 2014–15 school year, each school board and each independent charter school must annually assess all pupils in four–year–old kindergarten to grade two for reading readiness and provide reading services to any pupil who is determined to be at risk of reading difficulty.

This bill directs DPI, annually by June 30, to publish a school and school district accountability report that includes the following components:

1. Multiple measures to determine performance, including pupil achievement and growth in reading and mathematics; measures of college and career readiness; and gaps in pupil achievement and rates of graduation, categorized by race, English language proficiency, disability, and income.

2. An index system to identify a school's level of performance and place each school into one of five performance categories.

Within one year after an independent charter school, or a private school participating in a parental choice program, begins using the student information system established by DPI, DPI must include the school in its annual school accountability report.

This bill creates a grant program through which a qualifying school may receive an award related to the school's performance on the accountability reports issued by

DPI. The bill identifies three categories of qualifying schools: 1) schools placed in a performance category of "significantly exceeds expectations" or "exceeds expectations" on the most recent accountability report; 2) schools that increase the score received on the most recent accountability report by at least three points over the previous accountability report; and 3) schools placed in a performance category of "fails to meet expectations" on the most recent accountability report and that submit a comprehensive school improvement plan to DPI.

Under current law, DPI must develop an educator effectiveness evaluation system (EEES). School districts and independent charter school operators must employ the EEES to evaluate teachers and principals on a variety of measures. This bill permits DPI to charge a fee to school districts and independent charter schools to use the EEES developed by DPI. The bill also permits DPI to award grants to school districts to implement an EEES or equivalent evaluation process.

This bill directs DPI to grant a charter school teaching license to any person who has a bachelor's degree and demonstrates that he or she is proficient in the subject or subjects that he or she intends to teach. The license authorizes the person to teach that subject or those subjects in a charter school. The bill does not explicitly limit the person to teaching only certain grades. The license is valid for three years and may be renewed.

This bill eliminates a requirement that any person teaching an online course in a public school, including a charter school, complete at least 30 hours of related professional development. The bill also prohibits DPI from requiring a teacher licensed to teach in a virtual charter school to complete professional development not required to be completed by teachers who do not teach in a virtual charter school.

Currently, DPI may issue an emergency permit to an applicant who has a bachelor's degree, which authorizes the holder to be employed by a school board as a professional school employee for one specific assignment. The permit is valid for up to one year. This bill directs DPI to ensure that teaching experience gained while a person held an emergency permit counts toward fulfillment of the teaching experience requirement for a license based on experience or for an administrator's license.

This bill prohibits DPI from requiring that a licensed teacher or instructional staff member be physically present in the classroom when the delivery of content or collaborative instruction in the classroom is being provided digitally or through an online course.

Under current law, a school district that is created as the result of consolidation is eligible to receive two types of additional state aid during the five school years following the consolidation. The first type is an increased amount of equalization aid that is the result of a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation. The second type is special adjustment aid in an amount necessary to ensure that the consolidated school district's general aid is at least equal to the total amount of general aid that the consolidated districts received in the school year before the consolidation (underlying district aid). This bill extends the period during which a consolidated

school district may receive these two types of additional aid to seven years following consolidation and makes the following changes during the extension period:

1. For the sixth school year following the consolidation, a 10 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors and the consolidated school district is guaranteed to receive at least 66 percent of the underlying district aid.

2. In the seventh year following the consolidation, a 5 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors and the consolidated school district is guaranteed to receive at least 33 percent of the underlying district aid.

Current law directs DPI, the Board of Regents of the UW System, the Technical College System Board, and the Wisconsin Association of Independent Colleges and Universities to enter into a written agreement requiring them to establish and maintain a longitudinal data system of student data that links such data from preschool programs to postsecondary programs. This bill requires that DCF and DWD be parties to the agreement and that work force data be a part of the data system.

This bill requires DPI to provide funding to Teach for America, Inc., to recruit and prepare individuals to teach in low–income or urban school districts.

This bill increases the reimbursement rate to school districts for transporting a pupil who lives more than 12 miles from the school the pupil attends from $220 per school year to $275 per school year.

Current law directs DPI to award a grant to any teacher who is certified by the National Board for Professional Teaching Standards or who is licensed by DPI as a master educator. A person awarded a grant is eligible for additional grants over the succeeding nine years. Beginning with grants awarded in 2014–15, this bill requires that a person who is receiving a grant and is licensed as a master educator have and maintain a rating of "effective" or "highly effective" in the applicable educator effectiveness system.

This bill directs DPI to develop and maintain an online resource, called WISElearn, to provide educational resources for parents, teachers, and pupils; offer online learning opportunities; provide regional technical support centers; provide professional development for teachers; and enable video conferencing.

HIGHER EDUCATION

Under current law, technical colleges receive funding from various sources, including property taxes levied by technical college district boards. Current law also makes various appropriations for technical colleges, including a specified amount of state aid each fiscal year that the Technical College System (TCS) Board is required to allocate to each technical college district. Current law requires the TCS Board to allocate the state aid to districts based on a formula that specifies the costs eligible for the state aid. The formula also allocates a greater percentage of the state aid to districts that have lower property valuations, which are not able to generate as much property tax revenue as districts with higher property valuations.

This bill gradually replaces, in accordance with a specified schedule, the formula under current law with a new formula established by the TCS Board for

allocating the state aid based on a technical college district's performance regarding all of the following criteria (performance criteria): 1) student job placement rates; 2) the number of degrees and certificates awarded in high–demand fields; 3) the number of programs or courses with industry–validated curriculum; 4) the transition of adult students from basic education to skills training; 5) participation in certain dual enrollment programs; and 6) workforce training provided to businesses and individuals. No later than December 31, 2013, the TCS Board must submit a plan for making allocations according to the new formula to the secretary of administration (secretary). Upon approval or modification by the secretary, the TCS Board must administer the plan. The bill also requires the TCS Board to submit a report to the secretary in each fiscal year that describes how the state aid is allocated to each technical college district under the new formula.

This bill directs the Board of Regents of the UW System to award grants to UW institutions to provide funding for:

1. Economic development programs.

2. Programs that have as their objective the development of an educated and skilled workforce.

3. Programs to improve the affordability of postsecondary education for resident undergraduates.

The bill directs the Board of Regents to report annually to DOA on the programs awarded a grant. The report must include the goals, budget, and results for each program and a systemwide summary of all programs funded.

The bill consolidates a number of separate appropriations to the TCS Board for grants to technical college districts for various purposes except for aid for driver training. The bill provides that all such grants are discretionary, not mandatory, and authorizes the TCS Board to award grants to district boards for activities related to improving district performance.

Current law imposes a limit of 1.5 mills on the property taxes levied by a technical college district board for the operation of the district. This bill eliminates that limit.

This bill imposes a limit on the increase in a technical college district board's operating levy. Under the bill, no district board may increase its tax levy by a percentage that exceeds a percentage equal to the greater of zero percent or the percentage change in the district's equalized value due to the aggregate new construction, less improvements removed, in municipalities located in the district during the previous year.

If a district board's allowable levy is greater than its actual levy in any year, the district board may by a three–fourths vote increase its limit in the succeeding year by the difference, up to a maximum of 0.5 percent of its actual levy. If a district board wishes to exceed its limit, it must adopt a resolution to that effect and hold a district–wide referendum. If a district board exceeds its limit without the approval of the electors, the state technical college system board must reduce the district's aid payments by the amount of the excess.

Current law requires that the Board of Regents of the UW System and the chancellor of UW–Madison submit compensation plans for UW employees to the

director of the Office of State Employment Relations (OSER), who then makes recommendations for UW employee compensation to the Joint Committee on Employment Relations (JCOER) for approval. This bill eliminates the requirements that the Board of Regents and the chancellor of UW–Madison submit the plans to the director of OSER and receive JCOER approval. In addition, the bill eliminates all funding for the Board of Regents from the compensation reserve, a pool of moneys used to fund salary adjustments for UW System employees. Under the bill, salary adjustments are funded from moneys directly appropriated to the Board of Regents.

Current law requires the Board of Regents to establish policies for transferring credits between institutions within the system. The policies must designate the courses that are transferable without loss of credit toward graduation or toward completion of a specific course of study. In addition, current law allows the Board of Regents to establish policies for transferring credits with educational institutions outside the system. Current law also allows the TCS Board, in agreement with the Board of Regents, to designate courses that are transferable for collegiate credit between the technical colleges and the UW System.

This bill requires the Board of Regents and the TCS Board to enter into an agreement regarding transfer of credit for courses generally required for an undergraduate degree that are prerequisite or otherwise in addition to the courses required for an undergraduate degree in a specific course of study (core general education courses). The agreement must ensure that, beginning in the 2014–15 academic year, not fewer than 30 credits of such courses are transferable within and between each UW school and technical college. The agreement must also ensure that the courses are transferrable without loss of credit toward graduation or toward completion of a specific course of study.

The bill also requires the Board of Regents and the TCS Board to ensure that in–state tribally controlled colleges (tribal colleges) and that nonprofit institutions of higher education that are members of the Wisconsin Association of Independent Colleges and Universities have an opportunity to participate in the agreement. If a tribal college or private school participates, the agreement must ensure that credits for core general educational courses are transferable within and between each participating tribal college and private school, as well as UW schools and technical colleges.

Under current law, a veteran who was a resident of this state when he or she entered the armed forces and who meets certain additional criteria is eligible for a full remission of tuition and segregated fees at a UW institution, or of tuition and materials fees at a technical college, for 128 credits or eight semesters, whichever is longer. This bill makes the following changes to this fee remission program for eligible veterans:

1. The veteran must have been a resident of this state when he or she entered the armed forces or for at least five consecutive years.

2. In determining a veteran's residence at the time he or she entered the armed forces, the state from which the veteran entered is irrelevant.

3. A veteran must maintain a cumulative grade point average of at least 2.0 to remain eligible for the fee remission.

Under current law, the spouse and children of a veteran who was a resident of this state when he or she entered the armed forces and to whom one of the following applies is eligible for the same tuition remission:

1. The veteran, while a state resident, died while on active duty, as the result of a service–connected disability, or in the line of duty while in training.

2. The veteran has been awarded at least a 30 percent service–connected disability rating by the U.S. Department of Veterans Affairs.

Under current law, with certain exceptions, a spouse is eligible for a fee remission under this program only if he or she is a state resident and only for the first ten years after the veteran receives the disability rating or after the veteran dies. A child is eligible only if he or she is a state resident and is at least 17 and not yet 26 years old. This bill makes the same changes to this fee remission program as it makes to the first–described program and eliminates the ten–year limitation for a spouse.

With certain exceptions, current law, beginning on July 1, 2013, prohibits the Board of Regents and all UW Schools, including the UW–Extension (UW schools) from being a member, shareholder, or partner in organizations that provide telecommunications services, including Internet–related services. Current law includes an exception for organizations that are comprised entirely of universities and university–affiliated research facilities.

This bill creates a new exception for an organization that advances research or higher education, except that an association called WiscNet does not qualify for the new exception. The bill's new exception applies if the Board of Regents or a UW school served as a member, shareholder, or partner in the organization on February 1, 2013, or if the DOA secretary determines that the organization qualifies for the exception. If the bill's new exception applies, the Board of Regents or UW school may use the organization's services and may also participate in the organization's operations or provide certain services to the organization, but only if the participation, or provision of services, is in connection with the Board of Regents' or UW school's use of the organization's services.

This bill makes an appropriation to the Board of Regents for costs incurred by the UW Carbone Cancer Center (center) that relate to translational imaging research, research imaging and scanning, research imaging equipment, and the Wisconsin Oncology Network. The bill also requires the center to submit a plan to the secretary of administration for raising matching funds from federal, private, and other sources to help defray the foregoing costs. The bill prohibits any release of moneys from the appropriation until the secretary of administration approves the fund–raising plan.

This bill directs the Board of Regents annually to allocate $1,500,000 for the Wisconsin Academy for Rural Medicine and the Training in Urban Medicine and Public Health Program at the UW School of Medicine and Public Health.

OTHER EDUCATIONAL AND CULTURAL AGENCIES

Current law appropriates to the Higher Educational Aids Board certain general purpose revenue for the support of Wisconsin residents who are pursuing doctor of dental surgery degrees at the Marquette University Dental School and caps

the number of students who may be so funded at 160. This bill increases that cap to 200.

Under current law, the Educational Approval Board (EAB) inspects and approves private trade, correspondence, business, and technical schools to protect the students of those schools, prevent fraud, and encourage accepted educational standards at those schools. Currently, EAB is attached to the TCS Board for administrative purposes. This bill attaches EAB to DSPS for administrative purposes.

EMPLOYMENT

Currently, with limited exceptions, in order to become and remain eligible to receive unemployment insurance benefits for any week, a claimant is required, among other things, to register for work and to conduct a reasonable search for suitable work within that week, which must include at least two actions that constitute a reasonable search as prescribed by rule by DWD. This bill requires each claimant to register for work in the manner directed by DWD and increases the minimum number of actions that a claimant must undertake to become and remain eligible for benefits to at least four actions per week.

ENVIRONMENT

Air quality

The federal government has delegated to DNR the authority to administer the federal Clean Air Act in this state. The Clean Air Act requires operators of certain stationary sources of air pollution, such as large factories, to have operation permits (federal operation permits). State law requires operators of additional stationary sources of air pollution to have operation permits (state operation permits).

Generally, current law requires an operator who has a federal operation permit to pay an annual fee of $35.71 per ton of certain pollutants emitted in the previous year, subject to a cap. This bill increases the amount of the annual fee imposed on operators who have federal operation permits to $46.71 per ton in 2014 and $59.81 per ton in 2015. After 2015, the fee per ton is increased by 4 percent annually.

Generally, current law requires an operator who has a state operation permit to pay a fee of $300 per year. This bill increases the fee to $725 per year.

Environmental cleanup

Currently, this state operates a program known as PECFA to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. Under current law, DSPS administers PECFA, with involvement by DNR. Current law also authorizes DSPS to provide funding for the removal of abandoned underground petroleum product storage tanks. This bill transfers the administration of PECFA and the authority to fund the removal of those tanks from DSPS to DNR.

Water quality

Under current law, both DSPS and DNR administer laws regarding erosion control at construction sites. DSPS has erosion control authority over building sites for public buildings, buildings that are places of employment (commercial buildings), and one–family and two–family dwellings. DNR has erosion control authority over

sites where the construction activities do not include the construction of a building, such as sites involving street or bridge construction.

This bill transfers from DSPS to DNR erosion control authority over construction sites with a land disturbance area of one or more acres, regardless of whether the construction activity includes the construction of a building. Under the bill, DSPS retains authority over construction sites with a land disturbance area of less than one acre and that involve the construction of a commercial building or a one–family or two–family dwelling.

Current law requires certain persons who discharge storm water to obtain a storm water discharge permit. This bill specifies that this permit requirement applies to conveyances of storm water associated with a construction site, including a building construction site.

Under the Clean Water Fund Program, this state provides financial assistance for projects for controlling water pollution, including loans at subsidized interest rates. This bill sets the present value of the Clean Water Fund Program subsidies that may be provided during the 2013–15 biennium at $76,700,000.

Under the Safe Drinking Water Loan Program, this state provides loans at subsidized interest rates to local governmental units for projects for the construction or modification of public water systems. This bill sets the present value of the Safe Drinking Water Loan Program subsidies that may be provided during the 2013–15 biennium at $29,600,000 and increases the general obligation bonding authority for the Safe Drinking Water Loan Program by $7,100,000.

Under current law, DNR administers a program to provide financial assistance for projects to reduce nonpoint source water pollution in areas that are targeted due to surface water quality problems. This bill increases the authorized general obligation bonding authority for this program by $7,000,000.

Under current law, DNR administers programs to provide financial assistance for the management of urban storm water runoff and for flood control and riparian restoration projects. This bill increases the general obligation bonding authority for these programs by $5,000,000.

Current law authorizes DNR to pay a portion of the costs of a project to remove contaminated sediment from Lake Michigan or Lake Superior or their tributaries. This bill increases the general obligation bonding authority for sediment removal projects by $5,000,000.

GAMBLING

Current law regulates the operation of crane games by requiring DOA registration of a crane game before it is set up for play, and before the owner may collect any proceeds from the game. A crane game is an amusement device involving skill that rewards the player exclusively with prizes, toys, and novelties of limited value contained within the device. This bill repeals all provisions that regulate the operation of crane games.

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the annuity payments are made, the remainder of the prize may be paid to the person's estate. This bill specifically provides that in the case of the death

of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of an estate to choose for the estate to receive the remaining installments as a lump sum. It also allows persons, other than prize winners, who are receiving annuity payments of unpaid prize money to choose a lump sum payment. The ability to choose a lump sum payment is not available when the prize money is from a multistate lottery.

HEALTH AND HUMAN SERVICES

PUBLIC ASSISTANCE

Under current law, DHS administers the federal Supplemental Nutrition Assistance Program (SNAP), formerly known as the food stamp program and currently known in Wisconsin as FoodShare, under which eligible households receive benefits to purchase food at retail food stores. Under current law, with certain exceptions, DHS may require a recipient of SNAP benefits who is able and who is 18 to 60 years of age to participate in the FoodShare employment and training program (FSET) to be eligible for SNAP benefits, including an individual who is the caretaker of a child under the age of 12 weeks.

This bill authorizes DHS to implement a federal policy under which DHS may limit the amount of SNAP benefits that an able–bodied adult may receive to three months during a three–year period if the adult does not meet certain work requirements. An able–bodied adult, as defined by the bill, is an individual who is 18 to 49 years old, is fit for employment, is not a parent of a household member who is younger than 18, is not pregnant, and is not otherwise exempt from specific work requirements under federal law. DHS may implement this policy in addition to the current employment and training program. This bill also expands the FSET participation requirement exception for an individual who is the caretaker of a child under the age of 12 weeks to a caretaker of a child under the age of six years to comply with federal law.

Under current law, the transitional jobs demonstration project, under which DCF pays wage subsidies to employers who employ low–income individuals in transitional jobs, will end on July 1, 2013. This bill creates a Transform Milwaukee Jobs program (TMJ program) that is very similar to the transitional jobs demonstration project. Under the TMJ program, an employer, or a person with which DCF contracts to administer the program (contractor), that employs a program participant must employ the participant at least 20 hours per week at a location in this state and pay at least minimum wage. DCF pays the employer or contractor a wage subsidy that is equal to the wage the employer or contractor pays the participant, up to 40 hours per week at minimum wage, and may reimburse the employer or contractor for certain taxes and other expenses that are attributable to employment of the participant.

Current law prohibits any person from disclosing information about individuals applying for or receiving benefits under a number of public assistance programs for any purpose not related to administration of the programs. DCF is authorized, however, to disclose such information to DOR for the sole purpose of administering state taxes. The bill provides that DCF and DHS may disclose such information by transmitting or allowing access to electronic data, that administering

state taxes includes verifying refundable income tax credits, and that the information may also be disclosed for the purpose of collecting debts owed to DOR.

WISCONSIN WORKS

The Wisconsin Works (W–2) program under current law, which is administered by DCF, provides work experience and benefits for low–income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, who needs child care services to participate in various educational or work activities, and who satisfies other eligibility criteria may receive a child care subsidy for child care services under the W–2 program. This child care subsidy program is known as Wisconsin Shares. The bill makes the following changes to Wisconsin Shares:

1. Under current law, DCF reimburses child care providers or distributes funds to county departments or tribal governing bodies for child care services provided under Wisconsin Shares and to private nonprofit agencies that provide child care for children of migrant workers. This bill provides that, in addition to the ways in which DCF may distribute child care subsidy funds under current law, DCF may issue benefits directly to individuals who are eligible for the subsidies.

2. Under current law, counties set maximum rates, which are approved by DCF, for child care services under Wisconsin Shares. However, DCF may modify an individual child care provider's maximum rate on the basis of the child care provider's quality rating under the quality rating plan known as YoungStar. Current law allows DCF to increase the maximum rate for a provider who receives a four–star rating under YoungStar by up to 5 percent. Under this bill, DCF determines the maximum rates for child care services under Wisconsin Shares. This bill also authorizes DCF to increase the maximum rate for a child care provider who receives a four–star rating under YoungStar by up to 10 percent beginning January 1, 2014.

3. Under current law, individuals receiving child care subsidies under Wisconsin Shares must pay, as a copayment for the child care, a percentage of the cost of the child care specified by DCF in a printed copayment schedule. The bill changes the copayments that eligible individuals must pay for child care to the difference between the cost of the child care provided by the provider selected by the individual and the subsidy amount.

4. Under the bill, if a noncustodial parent of a child is required to pay child support and the custodial parent of the child is a participant in W–2 or is eligible to receive a child care subsidy for the child under Wisconsin Shares, the noncustodial parent is eligible to receive the following services and benefits under W–2:

a. Job search assistance and case management services.

b. A monetary stipend for up to four months.

c. Work experience in one trial employment match program job.

5. The bill allows any noncustodial parent who is ineligible for a job access loan solely because the individual is not a custodial parent to receive a job access loan under W–2 to enable the individual to obtain or continue employment.

6. The bill provides that an individual who is eligible for a child care subsidy under Wisconsin Shares may use the subsidy for child care that is provided by an out–of–state provider. The rate at which the out–of–state provider is paid is based

on the maximum rate paid to a provider in the county in which the eligible individual resides or the out–of–state provider's actual rate, whichever is lower.

W–2 provides work experience to a participant through placement in one of a number of different employment positions, depending on the participant's skills, training, and experience. For one of the employment positions, called trial jobs, a W–2 agency pays a wage subsidy to a private employer that employs a W–2 participant. The bill terminates the trial job employment position and replaces it with a trial employment match program (TEMP) that has the same features as the trial job employment position, except for a few changes.

Under current law, a W–2 agency pays an employer a wage subsidy of not more than $300 per month for full–time employment of a participant in a trial job. Under the bill, in TEMP the W–2 agency and employer negotiate the wage subsidy, which is be paid for every hour that the participant actually works, up to 40 hours per week, at not less than the applicable minimum wage. In addition, the W–2 agency may reimburse the employer for all or a portion of certain taxes and other costs associated with employment of the participant. The bill changes the maximum time in a TEMP job from up to three months to up to six months, with a possible three–month extension. Currently, an employer that employs a participant in a trial job must agree to make a good faith effort to retain the participant as a permanent unsubsidized employee after the wage subsidy under the trial job ends. For TEMP the bill adds that, if the employer does not retain the participant, the employer must serve as an employment reference for the participant or must provide the W–2 agency with a written performance evaluation with recommendations for improvement.

In addition to replacing trial jobs with TEMP, the bill repeals the real work, real pay employment position in W–2, eliminates the subsidized private sector employment program, and eliminates the workforce attachment and advancement program.

MEDICAL ASSISTANCE

Currently, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through BadgerCare Plus (BC+) and BadgerCare Plus Core (BC+ Core). Under current law, BC+ has a standard plan with a larger set of benefits and a Benchmark plan with fewer benefits.

Under current law, family income is the total gross earned and unearned income received by all members of a family. Beginning on January 1, 2014, under the bill, for purposes of determining eligibility for BC+ and BC+ Core, family income is defined under a federal regulation that uses an income calculation based on modified adjusted gross income. The bill also makes other changes to calculation of income and family size for BC+ and BC+ Core on January 1, 2014, or sooner.

Under current law, certain individuals are eligible for benefits under the BC+ standard plan. Beginning in January 1, 2014, under the bill, a pregnant woman must have an income that does not exceed 133 percent of the federal poverty line

(FPL) to be eligible for BC+ standard plan benefits. Also, beginning on January 1, 2014, the bill reduces the income eligibility level for the BC+ standard plan for parents and caretaker relatives from not more than 200 percent of the FPL to not more than 100 percent of the FPL before a 5 percent income disregard is applied. The bill defines, beginning on January 1, 2014, for purposes of eligibility of a parent or caretaker relative, a "dependent child." The bill also changes criteria for presumptive eligibility, retroactive eligibility, and transitional MA.

The bill retains the current law ineligibility provisions for certain individuals with health insurance coverage or access to coverage during certain times and adds, with certain limitations, individuals to the types of individuals for whom access to coverage results in ineligibility and specifies the types of insurance that result in ineligibility. Under the bill, certain individuals are ineligible for BC+ if they have private major medical insurance with a certain premium. The bill also adds certain individuals to those who are ineligible for BC+ for three months for not maintaining certain types of health coverage.

Beginning on January 1, 2014, the bill eliminates eligibility for the BC+ Benchmark plan for all of the following individuals: pregnant women whose family income exceeds 200 percent but does not exceed 300 percent of the FPL and children under one year of age of those women; certain other pregnant women; and parents or caretaker relatives whose family income includes self–employment income and does not exceed 200 percent of the FPL under a certain calculation. Under the bill, beginning on January 1, 2014, an unborn child whose family income exceeds 200 percent of the FPL but does not exceed 300 percent of the FPL is eligible for Benchmark but only for prenatal care benefits. On January 1, 2014, the bill eliminates the ability for children whose family incomes exceed 300 percent of the FPL to receive Benchmark plan benefits by paying the full member per month cost of coverage.

If the federal Department of Health and Human Services (federal DHHS) allows, under the bill, DHS may provide an alternate Benchmark plan to adult individuals who are not pregnant, whose family incomes exceed 100 percent of the FPL, and who are otherwise eligible for BC+. The alternate Benchmark plan, if provided, provides coverage for benefits similar to those in a commercial, major medical insurance policy and may charge higher copayments than are charged for the standard plan, with certain limitations.

The bill allows DHS to administer medical home initiatives as service delivery mechanisms to provide and coordinate care for individuals who are eligible for services under a fee–for–service model of MA, including BC+ and BC+ Core.

Current law requires certain individuals to pay premiums for BC+. The bill requires an adult parent or adult caretaker who is not pregnant, disabled, or American Indian and whose family income exceeds 133 percent of the FPL and, if the federal DHHS approves, a child who is not disabled and whose family income is at a level determined by DHS but at least 150 percent of the FPL, to pay a premium for BC+.

Under current law, if an individual does not pay a required premium or requests termination of coverage under BC+, the coverage under BC+ is terminated and a

six–month ineligibility period begins. The bill changes the ineligibility period for an adult to 12 months except for any month in which the former recipient's family income does not exceed 133 percent of the FPL. For a child, the bill retains the six month ineligibility period except for any month in which the child's family income does not exceed 150 percent of the FPL; however, if the federal DHHS approves, the ineligibility period becomes 12 months.

Under current law, DHS also administers BC+ Core, which provides basic primary and preventive care to adults who are under age 65, who have family incomes that do not exceed 200 percent of the FPL, and who are not otherwise eligible for MA, including BC+. The bill requires certain childless adults with a family income exceeding 133 percent of the FPL to pay a premium for BC+ Core benefits. Beginning January 1, 2014, the bill allows only those individuals whose family incomes do not exceed 100 percent of the FPL, before a 5 percent income disregard is applied, to be eligible for BC+ Core.

The bill allows DHS to enroll a child who is receiving services through the early intervention program in a special plan, if the federal DHHS approves.

Under current law, DHS is required to develop a purchasing pool, which is not an MA program and is known as Badger Rx Gold, for pharmacy benefits and set eligibility requirements to obtain prescription drug coverage through the purchasing pool. The bill eliminates Badger Rx Gold.

Under current law, an individual who would be eligible for MA based on eligibility for supplemental security income (SSI), but who is not eligible for SSI because he or she is employed and has too much earned and unearned income to be eligible, may pay premiums for coverage under MA if his or her family's net income is less than 250 percent of the FPL and his or her assets do not exceed $15,000, excluding certain assets. This program is known as the MA purchase plan (MAPP).

The bill makes a number of changes to the eligibility and premium requirements under MAPP. Under current law, when determining an individual's net income, certain disregards are deducted from the individual's and his or her spouse's total earned income, then the individual's and his or her spouse's total unearned income is added. Under the bill, the same disregards are deducted from the individual's and his or her spouse's earned and unearned income combined, then a new deduction of up to $500 per month of the individual's out–of–pocket medical and remedial expenses and long–term care costs is applied. The bill requires that, to be engaged in gainful employment, which is required for eligibility, an individual must be paying, or having withheld, certain taxes, and requires that DHS verify, through documentation provided by the individual, both the individual's income from work activity and payment or withholding of taxes.

Currently, premiums for MA coverage under MAPP are calculated by adding together all of the individual's unearned income, after certain specified amounts are deducted, and then adding 3 percent of the individual's earned income. DHS waives any premiums below $25 per month. In addition, DHS does not assess a premium if the individual's total earned and unearned income is below 150 percent of the FPL *for a family the size of the individual's family.* Under the bill, an individual whose total earned and unearned income is at least 150 percent of the FPL *for an individual*

is required to pay a premium. The premium is equal to 3 percent of the individual's total earned and unearned income, after deducting the same amounts that are deducted under current law from an individual's unearned income, and then rounded down to the nearest $25. A minimum monthly premium of $50 is set, however, for anyone whose calculated premium is below that amount.

Certain MA programs consider an individual's income and assets when determining eligibility and any cost–sharing requirements. Under the bill, when determining eligibility or cost–sharing requirements under various MA programs, including Family Care and MAPP, DHS must exclude, to the extent approved by the federal government, independence accounts and retirement benefits that accumulated or were earned through employment income or employer contributions while the individual was employed and receiving MA coverage under MAPP. An independence account is a DHS–approved account that consists of savings from income earned while an individual is covered under MAPP.

Under current law, an individual who divests income or assets, or disposes of income or assets for less than fair market value, may be ineligible for MA for a certain period of time. Current law specifies a method for determining the starting date for an ineligibility period for MA resulting from a divestment. This bill specifies that the current law method applies to applicants for MA. For recipients of long–term care services through MA, the bill sets as the starting date for an ineligibility period the first day of the month following the month in which the individual receives advance notice of that ineligibility period.

Under current law, the purchase by an individual or his or her spouse of a promissory note, loan, or mortgage is a transfer of assets for less than fair market value that triggers an ineligibility period unless certain circumstances apply, including that the loan's terms prohibit cancellation of the balance upon the death of the lender. This bill specifies that a promissory note in which the debtor is a presumptive heir of the lender or in which neither the lender nor debtor has any incentive to enforce repayment is considered canceled upon the death of the lender for purposes of divestment and eligibility for MA.

Current law provides for protection of certain income and resources for a spouse who is not receiving long–term care services through MA, known as the community spouse, of an institutionalized individual. This bill specifies that even though the community spouse's resources are considered unavailable, the transfer of those resources or other assets by the community spouse within the first five years of the institutionalized spouse's eligibility for MA may result in a period of ineligibility for MA. The bill also allows DHS to deny MA eligibility to an institutionalized spouse if the institutionalized spouse and community spouse do not provide the total value of their assets and information on income and resources to the extent required under federal law or do not sign the MA application.

Current law allows a community spouse to have a minimum monthly maintenance needs allowance (MMMNA) and the community spouse is allowed a resource allowance to generate the income to provide the MMMNA. If either spouse establishes at a fair hearing that the resource allowance determined outside the fair hearing does not generate enough income to meet the MMMNA, DHS is required to

establish an amount that results in a sufficient MMMNA. The bill specifies on what DHS must base the amount to be used to raise the income to the level of the MMMNA and that any resource may be transferred to provide that amount.

Under current law, eligibility for the MA program for the medically indigent is contingent on the applicant's property not exceeding certain parameters including that the total face value of all life insurance policies that have a cash surrender value is $1,500 or less. The bill changes this parameter such that those applicants are eligible only if the combined cash surrender value of all life insurance policies with cash surrender values, including riders and other attachments, is $1,500 or less.

One of the benefits provided under MA is psychosocial services provided by the staff of a community–based psychosocial service program. This benefit, however, is available to a recipient under MA only if the county in which the recipient resides elects to make this benefit available under MA, in which case DHS reimburses a provider of the services for the portion of the allowable MA charge that is provided by the federal government and the county reimburses the provider for the remainder of the allowable MA charge. The bill provides that, if a county delivers this MA benefit on a regional basis, DHS will reimburse a provider both for the allowable MA charge that is provided by the federal government and for the remainder of the allowable charge.

Federal law requires that an MA recipient receive benefits in the state in which he or she resides. With some exceptions, the bill requires DHS to electronically verify the residence of an applicant for MA for purposes of determining eligibility and of a recipient of MA for purposes of determining continued eligibility when a recipient's eligibility is reviewed. If DHS is unable to electronically verify residence, an applicant or recipient must then provide DHS with adequate proof of residency.

Under current law, if an MA recipient has health care coverage from another source (third party), such as a health insurance policy or an employer's self–insured health plan, DHS is entitled to be reimbursed by the third party for any MA payments that DHS has made. This bill requires a third party to accept claims from DHS electronically for reimbursement of payments made under MA.

CHILDREN

Under current law, if a county that investigates a report of child abuse or neglect determines that a specific person has abused or neglected the child, the person may appeal the determination in accordance with procedures established by DCF by rule. This bill requires a county that makes an initial determination that a specific person has abused or neglected a child to provide the person with an opportunity for a review of that initial determination in accordance with rules promulgated by DCF before the county may make a final determination. The bill also grants the person the right to a contested case hearing on that determination and judicial review of the final administrative decision following the contested case hearing.

Subject to certain exceptions, current law requires DCF to maintain the confidentiality of records kept or information received about an individual who is or was in the care or legal custody of DCF. The bill permits DCF to provide to DOR information concerning a recipient of payments for out–of–home care for a child

solely for the purposes of administering state taxes and collecting debts owed to DOR.

This bill creates an Office of Children's Mental Health (office) in DHS and requires the office to study and recommend ways, and coordinate initiatives, to improve the integration across state agencies of mental health services provided to children and monitor the performance of programs that provide those services. Under the bill, the director of the office is appointed by the governor to serve at the pleasure of the governor.

Under current law, a person who is licensed to operate a child care center, certified as a child care provider for purposes of reimbursement under Wisconsin Shares, or contracted by a school board to operate a child care program (collectively, "child care provider") is eligible for reimbursement under Wisconsin Shares. Current law, however, requires a person to undergo a background investigation before becoming licensed, certified, or contracted or before becoming a caregiver or nonclient resident of a child care provider. This bill requires a child care provider that is receiving, or that wishes to receive, payment under Wisconsin Shares or an adult nonclient resident or caregiver of such a child care provider to be fingerprinted as part of his or her background investigation and permits the person to be charged a fee for the fingerprinting.

Under current law, an order of the court assigned to exercise jurisdiction under the Children's Code (juvenile court) that places or continues the placement of a child in an out–of–home placement terminates when the child reaches 19 years of age, if the child is a full–time student at a secondary school or its vocational or technical equivalent and is reasonably expected to complete the program before reaching 19 years of age, unless the juvenile court specified a shorter period or terminates the order sooner.

This bill provides that such an order terminates when the child reaches 21 years of age if the child is a full–time student at a secondary school or its vocational or technical equivalent and if an Individualized Education Program is in effect for the child, unless the juvenile court specified a shorter period or terminates the order sooner.

Under current law, the amount of a subsidized guardianship payment payable to the guardian of a child in need of protection or services is equal to the foster care payment received by the guardian for the month preceding the month in which the guardianship order was granted, unless a lesser amount is agreed to by the guardian. Similarly, the initial amount of adoption assistance payable to the adoptive parents of a child with special needs is equivalent to the foster care or subsidized guardian payments received by the adoptive parents at the time the adoption assistance agreement was signed, and the initial amount of adoption assistance for a child who was not in that care immediately prior to placement for adoption is the uniform foster care rate applicable to the child at that time, unless a lesser amount is agreed to by the adoptive parents.

This bill requires the amount of a monthly subsidized guardianship payment or the initial amount of adoption assistance to be based on the circumstances of the guardian or adoptive family and the needs of the child, but provides that those

amounts may not exceed the payments received by the guardian or adoptive parents or the uniform foster care rate, whichever is applicable, for the month preceding the month in which the guardianship order was granted or at the time the adoption assistance agreement was signed.

Under current law, when the juvenile court or a tribal court enters an order terminating parental rights to a child (TPR), the juvenile court or tribal court may transfer guardianship of the child to DCF, which is then responsible for securing the adoption of the child. This bill requires DCF, under those circumstances, to seek a permanent adoptive placement for the child or to seek to enter into a subsidized guardianship agreement with a proposed guardian of the child.

Current law requires DCF to distribute grants for children's community programs to counties for the purpose of supplementing payments for the care of certain individuals residing in foster homes so that those individuals may live in a family home or other noninstitutional situation after attaining age 18.

This bill provides that a county is eligible to receive funding for that purpose only if the county received such funding in fiscal year 2012–13. In addition, the bill requires DCF to distribute grants for children's community programs to counties for the purpose of assisting individuals who attain the age of 18 while residing in out–of–home care to make the transition from out–of–home care to independent living.

Under current law, DCF provides funding from various appropriations to the Indian tribes of this state for various tribal family services, including tribal adolescent services, domestic abuse services, child care services, and child welfare services. This bill consolidates funding for those various tribal family services into a single appropriation, permits DCF to distribute tribal family services grants from that appropriation to the elected governing bodies of those Indian tribes, and permits such an elected governing body to expend the grant moneys as determined by that body.

Under current law, the Child Abuse and Neglect Prevention Board (CANPB) may award grants to organizations to fund programs that provide direct parent education, family support, and referrals to other social services and outreach programs (family resource center grants). Current law prohibits an organization from receiving family resource center grants totaling more than $150,000 in any year and prohibits the CANPB from allocating more than $150,000 in a fiscal year for family resource center grants to organizations located in Milwaukee County. This bill eliminates those caps.

Under current law, CANPB is attached to DCF for administrative purposes. This bill transfers CANPB to DOA.

Current law specifies basic maintenance rates that are paid by the state or a county to a foster parent for the care and maintenance of a child. This bill increases those rates by 2.5 percent beginning on January 1, 2014, and by an additional 2.5 percent beginning on January 1, 2015.

HEALTH

The bill requires DHS to distribute two types of grants for graduate medical training programs (residency programs). First, DHS must distribute grants to assist

hospitals or groups of hospitals in procuring infrastructure and increasing case volume in order to develop accredited residency programs. The bill requires recipients of these grants to provide matching funds and limits the terms of the grants to three years. Second, DHS must distribute grants to assist hospitals that have existing residency programs in certain specialty areas with maintaining those programs. The bill limits these grants to $50,000 per state fiscal year per hospital, except that DHS must also award additional federal matching funds if DHS receives those funds.

Under current law, DHS and DETF may contract with a data organization (organization) to request health care claims information from health insurers and insurance plan administrators. The organization must analyze and publicly report this information with respect to the cost, quality, and effectiveness of health care; provide DHS with health care claims information and reports upon request; and maintain a centralized data repository. If DHS and DETF determine that the organization is not fulfilling certain requirements, DHS must carry out these functions itself. The bill requires the organization to take actions including all of the following: 1) provide an Internet site to offer health care provider cost and quality data and reports to consumers; 2) conduct statewide consumer information campaigns to improve health literacy; and 3) provide software to allow providers to validate data prior to its publication on the Internet site.

Under current law, DHS licenses community–based residential facilities (CBRFs). DHS must inspect a CBRF before issuing a permanent license to operate a CBRF and must also, for certain applicants, conduct a second inspection before issuing the permanent license. Under the bill, for those applicants, DHS must conduct the first inspection and then evaluate the CBRF before issuing a permanent license to operate. DHS may, but is not required to, conduct the second inspection for those applicants as part of that evaluation.

MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Under current law, the county board of a county or a federally recognized American Indian tribe or band (tribe) may establish an initiative to provide coordinated treatment, education, care, services, and other resources to children who are involved in two or more defined systems of care and to their families (initiative). A county or tribe that establishes an initiative must appoint a coordinating committee and designate an administering agency. Initiatives satisfying certain requirements may apply for state funding. The bill allows for the creation of multi–entity initiatives, which include more than one county or tribe. An agreement to establish a multi–entity initiative must specify a lead administrative county or tribe, which must then appoint the membership of the coordinating committee. The bill allows multi–entity initiatives to apply for state funding and permits DHS to establish certain additional requirements for multi–entity initiatives, even if those criteria conflict with the requirements for single–county and single–tribal initiatives.

Under current law, DHS makes grants to certain community programs. The bill allows DHS to also distribute moneys in each fiscal year, beginning in 2014–15,

to regional peer–run respite centers for individuals with mental health and substance abuse concerns.

OTHER HEALTH AND HUMAN SERVICES

Under current law, DHS must recover the amount of certain benefits (recoverable public assistance benefits) provided to individuals under certain programs (public assistance programs) by making claims against the estates of the individuals or their spouses. Recoverable public assistance benefits include benefits provided to individuals with hemophilia, cystic fibrosis, or kidney disease under the disease aids program; benefits under certain long–term care programs, including Family Care; and MA benefits provided to individuals residing in nursing homes. Also under current law, DHS may collect the amounts of those recoverable public assistance benefits provided to an individual or his or her spouse from the nonprobate property of the individual by sending an affidavit to a person who possesses the property. The bill makes some changes to those recoverable public assistance benefits recovery programs.

The bill defines the property, both estate property and nonprobate property, that is subject to recovery by DHS as all real and personal property to which the individual who received the recoverable public assistance benefits under a public assistance program (recipient) held any legal title, or in which the recipient had any legal interest, immediately before death, including assets transferred to an heir or a survivor, such as jointly owned property or property transferred by a living trust. In addition, the property subject to recovery includes any real or personal property in which the recipient's spouse had an ownership interest at the recipient's death and in which the recipient had a marital property interest at any time within five years before the recipient applied for the public assistance program or during the time that the recipient was eligible for the public assistance program. The bill provides that there is a rebuttable presumption that all nonprobate property, and all property in the estate, of the recipient's deceased surviving spouse was marital property held with the recipient and that 100 percent of that property is subject to recovery by DHS. As under current law, however, DHS may not recover nonprobate property or property in an estate if the deceased person has a surviving spouse or a child who is under age 21 or disabled, in which case DHS receives a lien in the amount that it may recover on any of the deceased person's real property.

The bill expands on the procedure under current law for recovery of nonprobate property by specifying all of the following: what information must be provided in an affidavit by DHS to a person who possesses property of a decedent; what costs will be allowed if the property was real property and the person has sold the property; that the person receiving an affidavit has the right to a fair hearing on the value of the recipient's interest in the property and how the recipient's interest is determined; and that DHS may bring an action or issue an order to compel transmittal of the property if the person does not transmit the property to DHS after receiving an affidavit.

The bill establishes procedures for DHS to follow with respect to real property owned by a recipient, both before and after death. DHS must create three documents for recording in the office of the register of deeds: 1) a REQUEST FOR NOTICE OF

TRANSFER OR ENCUMBRANCE AND NOTICE OF POTENTIAL CLAIM (REQUEST); 2) a TERMINATION OF REQUEST FOR NOTICE OF TRANSFER OR ENCUMBRANCE AND NOTICE OF POTENTIAL CLAIM (TERMINATION); and 3) a CERTIFICATE OF CLEARANCE (CLEARANCE). Whenever a recipient, upon becoming eligible for a public assistance program or during the time that the recipient is eligible for a public assistance program, has a current ownership interest in real property, or has a spouse with a current ownership interest in real property in which the recipient had a marital property interest at any time within the five years before applying for the public assistance program or during the time that the recipient is eligible for the public assistance program, DHS may record a REQUEST with respect to the property. Thereafter, unless DHS has recorded a TERMINATION or a CLEARANCE with respect to the property, any title insurance company or agent conducting a title search must note that a REQUEST is recorded against the property before issuing a certificate of title insurance for the property. In addition, any person intending to transfer title to, encumber, or terminate an interest in, the property must notify DHS. If the recipient is alive when the notice is given, the person may transfer title to, encumber, or terminate an interest in, the property. If the recipient is deceased and DHS determines that it has no claim for recoverable public assistance benefits, DHS must issue a CLEARANCE to the person for recording. However, if the recipient is deceased and DHS determines that it does have a claim for recoverable public assistance benefits, DHS must send the person a statement of claim and may recover against the property in an appropriate manner, including by placing a lien on the property.

The bill sets out requirements that apply to DHS when enforcing liens on real property for recovering recoverable public assistance benefits and provides that a section of the statutes that, generally, imposes a 30–year statute of limitations on the commencement of actions affecting the possession or title to real property applies to liens that DHS has on real property for recovering recoverable public assistance benefits.

The bill specifies that certain transfers of real property are voidable by DHS in court actions, in which case title to the real property reverts to the grantor or his or her estate. A transfer is voidable if: the transfer was made by a grantor who was receiving or who received MA; the transfer was made while the grantor was eligible for MA; DHS was unaware of the transfer; and the transfer was made to hinder, delay, or defraud DHS from recovering MA paid on behalf of the grantor. The bill provides that there is a rebuttable presumption that any transfer of the property for less than fair market value or one in which the deed or other conveyance was not recorded during the lifetime of the grantor was made to hinder, delay, or defraud DHS from recovering MA if the transfer was made by a grantor who was eligible for MA when the transfer was made.

The bill requires trustees of living trusts to notify DHS, within 30 days after the death of the trust settlor and before any assets are distributed, if the trust settlor, or his or her predeceased spouse, received any recoverable public assistance benefits. If DHS sends the trustee a claim for the recovery of recoverable public assistance benefits, the trustee must, within 90 days, pay DHS the amount that it may recover

or provide DHS with information about any property that was distributed and to whom it was distributed. The bill requires a trustee of a special needs or pooled trust, the beneficiaries of which receive MA, to provide notice to DHS within 30 days after the death of a trust beneficiary, and to repay DHS, within 90 days after receiving a claim from DHS, for the amount of MA paid on behalf of the beneficiary. If the trustee fails to comply with the notice or repayments requirements, the trustee is personally liable to DHS for any MA amounts paid on behalf of the beneficiary that DHS is unable to recover. The bill also provides that, after the death of a beneficiary under a pooled trust, the trustee may retain up to 30 percent of the balance in the deceased beneficiary's account, unless the trustee fails to comply with the notice and repayment requirements, in which case the trustee may not retain any of the balance in the deceased beneficiary's account.

Under current law, DWD assists individuals with disabilities in gaining employment through its vocational rehabilitation program. An individual with a disability who gains employment with assistance from the vocational rehabilitation program no longer receives certain benefits from social security. The federal government reimburses some of the benefits it no longer has to pay to individuals to DWD for the vocational rehabilitation program. Also under current law, DHS provides grants to independent living centers that meet certain criteria to provide nonresidential services to severely disabled individuals. Current law requires that DWD transfer social security reimbursement funds to DHS in order to provide these grants.

This bill eliminates the transfer from DWD to DHS for grants to independent living centers. Instead, DWD must allocate the moneys received from the federal Social Security Administration for reimbursement of grants to independent living centers. The bill then requires DWD to make grants to independent living centers that meet the same requirements as those imposed to receive grants from DHS.

Under current law, among other specified, limited disclosures, the state or a local registrar may disclose certain information from a vital record to a federal, state, or local agency for use in the conduct of the agency's duties and may disclose a social security number on a vital record to DCF or a county child support agency for child and spousal support purposes and establishment of paternity. This bill allows the state or local registrar to disclose information on vital records, including a social security number, to DOR, upon DOR's request, for certain purposes related to administering state taxes and collection of debts referred to DOR.

JUSTICE

Under current law, the Office of Justice Assistance (OJA) within DOA operates several programs and administers several grants related to law enforcement, communications between law enforcement and other public safety agencies (interoperable communications), criminal justice, juvenile justice and child advocacy services, crime prevention, rehabilitation and alternatives to incarceration, reintegration into society of American Indians who have been incarcerated, crime data collection and analysis, and homeland security.

This bill eliminates OJA and transfers its functions to DOJ, except that the programs and appropriations related to reintegrating American Indians who have

been incarcerated are transferred to DOC, and the programs and appropriations related to homeland security, except those related to interoperable communications, are transferred to DMA.

Under current law, a victim of abuse, harassment, or threats may obtain a temporary restraining order against the person who has committed the acts of abuse or harassment, or has made a threat. The restraining order bars the person from contacting the victim and requires the person to stay away from the victim's residence and other places temporarily occupied by the victim until a court conducts a hearing to determine whether the restraining order should be incorporated into a longer–lasting injunction. If the court determines that the person has engaged in, or may engage in, abusive or harassing acts against the victim, the court may issue an injunction against the person.

Under 2011 Wisconsin Act 266 (the Act), if a person violates certain restraining orders or an injunction, the court may require the person to submit, for the duration of the restraining order or injunction, to global positioning system (GPS) tracking by DOC. The Act requires the court to find, before ordering GPS tracking, that the person who violated the restraining order or injunction is more likely than not to cause serious bodily harm to the victim.

This bill requires DOJ to establish standards for a local unit of government or law enforcement agency that wishes to administer its own GPS tracking program for persons who are subject to a restraining order or injunction and creates a grant program for that purpose. Under the bill, in a jurisdiction that operates a GPS tracking program, if a court issues a restraining order or injunction, a court may order the person to submit, for the duration of the restraining order or injunction, to GPS tracking. The bill requires the court to make the same findings as are required for a person who has violated a restraining order or injunction.

Under current law, if a court imposes a sentence or places a person on probation following a criminal conviction, the court must impose a crime victim and witness assistance surcharge of $67 for each misdemeanor conviction and $92 for each felony conviction. Specified portions of the collected surcharge are allocated to fund services for crime victims and witnesses and to fund grants for sexual assault victim services. This bill allocates the entire surcharge to fund services for crime victims and witnesses and creates a general purpose revenue appropriation to fund the grants for sexual assault victim services.

Under current law, a court may extend a term of probation or issue a judgment for unpaid funds if a person who is nearing the end of his or her probation term owes restitution or reimbursement fees. This bill also allows a court to extend a probation term or issue a judgment for unpaid funds if the person nearing the end of his or her probation term owes any part of a crime victim and witness assistance surcharge.

Currently, DOJ maintains three crime laboratories whose employees perform duties including DNA testing, firearms identification, and other forensic testing. Current law requires that the laboratories be located in the cities of Madison, Milwaukee, and Wausau. This bill removes this requirement.

Also under current law, when advertising an open position in the classified civil service, the state may not require as a condition of application that the applicant be

a college graduate unless the position advertised requires a license, permit, certificate, or other credential that a person may not acquire without a college degree. Under the bill, when advertising an open position as a forensic scientist in a state or regional crime laboratory, the state may require as a condition of application that the applicant be a college graduate.

Under current law, DOJ issues grants to certain counties and to eligible federally recognized American Indian tribes within this state to fund county or tribal law enforcement operations. Current law directs DOJ to issue a $300,000 grant to Forest County each fiscal year and $80,000 annually to the Lac Court Oreilles Band of Lake Superior Chippewa Indians. This bill eliminates these specific requirements.

This bill also requires DOJ to reduce certain allocations related to grants aimed at diverting youth from criminal activity in fiscal years 2013–14 and 2014–15 and eliminates biennial grants to programs within the city of Milwaukee that relate to community policing and crime prevention in targeted neighborhoods that suffer from high levels of violent and drug–related crime.

LOCAL GOVERNMENT

With some exceptions, this bill prohibits cities, villages, towns, counties, and school districts (local governmental units) from requiring, as a condition of employment, that any nonelective employee or prospective employee reside within any jurisdictional limits. Exceptions to the general prohibition include certain school board officials. The prohibition also does not affect any other state law requiring residency for a municipal position or any state or municipal requirement for state residency. If a local governmental unit has a residency requirement in effect on the effective date of the bill, the residency requirement does not apply and may not be enforced.

The bill prohibits a local governmental employer from bargaining collectively with respect to a decision to impose a residency requirement.

Under current law, subject to a number of exceptions, no county may impose an operating levy at an operating levy rate that exceeds 0.001 or the operating levy rate in 1992, whichever is greater, although a county may exceed the limit under certain circumstances. "Operating levy" is defined as the county purpose levy, less the debt levy, and "operating levy rate" is defined as the total levy rate minus the debt levy rate.

Under current law, the county operating levy rate limit is suspended such that it does not apply to a county's levy that is imposed in December 2011 or December 2012. Under this bill, the county operating levy rate limit is sunset and does not apply to any county levy that is imposed in December 2011 or any year thereafter.

Generally under current law, local levy limits prohibit cities, villages, towns, or counties (political subdivisions) from increasing their property tax levies by the greater of either zero percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed.

Current law contains a number of exceptions to the levy limit. This bill makes permanent the exception allowing an increase of a current year levy limit when the prior year's actual levy was less than the allowable limit. The increase must be

authorized by a supermajority vote of the political subdivision's governing body and, for a town, a majority vote of the town meeting.

Current law authorizes two or more political subdivisions to enter into an agreement to create a commission to issue types of municipal bonds referred to as conduit bonds. Under current law, only one commission may be created in the state. That commission currently exists and was created using the current law procedures for intergovernmental or interstate cooperation agreements. Primarily, the commission may issue bonds or refunding bonds to finance or refinance certain projects. Currently, before the commission may issue any bonds on certain economic development or housing projects, the commission must receive written approval from WHEDA. This bill eliminates the requirement to receive this permission. The bill also makes technical and definitional changes, and clarifies that a project may be located outside of the United States under certain circumstances.

Under current law, a municipality may receive an expenditure restraint payment if its municipal budget has not increased from the previous year by more than the sum of an inflation factor and a valuation factor.

Under this bill, if a municipality makes payments to another governmental unit for providing a service, the amount of the payments are included in the municipality's budget for purposes of determining its eligibility for an expenditure restraint payment.

Under current law, the state pays municipalities for municipal services provided to state facilities. The state negotiates the payment amount with each municipality. DOA must submit proposed negotiation guidelines to JCF, and JCF must approve the guidelines, before negotiating payments. In addition, DOA must report the results of its negotiations and the total amount of the proposed payments to JCF under its passive review process. Under this bill, DOA is not required to submit proposed negotiation guidelines to JCF for its approval prior to negotiating payments for municipal services and DOA may make the payments without the committee's approval.

MILITARY AFFAIRS

Under current law, an individual who is registered with a local unit of government as an emergency management volunteer is considered an employee of that local unit of government for worker's compensation purposes for an injury suffered while providing emergency management services during a disaster, imminent threat of disaster, or related training exercise. Under this bill, an emergency management volunteer is considered an employee of the state, not the local unit of government, for worker's compensation purposes.

NATURAL RESOURCES

FISH, GAME, AND WILDLIFE

The bill requires DNR to establish a deer management assistance program for collecting information from the public about deer health and the deer population in this state and receiving suggestions from the public about managing the deer population. DNR must analyze information received and use it to improve deer health and manage the deer population in this state.

Under current law, a person who holds a deer hunting license may be issued a bonus deer hunting permit that authorizes the person to take an additional deer of the sex or type specified by DNR by rule. Generally, a person may not obtain more than one bonus deer hunting permit in a single season. Under the bill, DNR may also issue a bonus deer hunting permit to allow a person to take an additional deer in a county or deer management area in which a deer has tested positive for chronic wasting disease (CWD area). The bill provides that DNR may issue to a person more than one bonus deer hunting permit in a single season if the additional permit authorizes the person to take a deer in a CWD area.

This bill authorizes DNR to promulgate rules to implement the recommendations contained in the 2012 final report of the assessment of this state's deer management plans and policies.

This bill reduces the fees that apply to wolf harvesting approvals and repeals the current law authority to hunt wolves during nighttime.

Current law authorizes DATCP to prohibit or regulate the importing of animals into this state if necessary to prevent the introduction or spread of disease. This bill authorizes DNR to import and introduce wild elk into specified counties if certain conditions are met, including that the applicable DATCP requirements are met to the extent possible.

The bill prohibits DNR from establishing an open season for hunting elk that begins earlier than the Saturday nearest October 15.

Under current law, DNR issues small game hunting licenses and annual fishing licenses at no charge to any resident who is in active service with the armed forces and who is in the state on furlough or leave. Under the bill, DNR must issue a resident small game hunting license, a resident deer hunting license, a resident archer hunting license, or a resident annual fishing license without charging a fee to a resident who served during the Iraq or Afghanistan wars as a member of the U.S. armed forces, or as a member of a reserve component of the armed forces or national guard. Only one license may be issued to each person who applies and the license must be issued within one year of the person being released or discharged from the armed forces or national guard.

OTHER NATURAL RESOURCES

Current law authorizes the state to incur public debt under the Warren Knowles–Gaylord Nelson Stewardship 2000 Program (stewardship program), which is administered by DNR. The state may incur this debt to acquire land for the state for conservation purposes and for property development activities and to award grants or state aid to certain local governmental units and nonprofit conservation organizations to acquire lands for these purposes.

Current law establishes the amounts that DNR may obligate in each fiscal year through fiscal year 2019–20 for expenditure under each of the five stewardship subprograms. The bill decreases the amount that DNR may obligate under the land acquisition subprogram for fiscal years 2013–14 and 2014–15 and makes a corresponding increase to the amount that DNR may obligate for those fiscal years under the subprogram for property development and local assistance.

This bill increases DNR's bonding authority, for the purpose of funding a dam safety program, debt service on which is paid from the general fund, by $4,000,000.

Current law requires that vehicles entering state parks or other recreational sites managed by DNR display an annual or daily vehicle admission receipt (admission sticker). This bill requires DNR to waive the fee for an annual admission sticker for a vehicle with Wisconsin plates if the owner of the vehicle is a Wisconsin resident serving on active duty in the U.S. armed forces (resident service member). This bill also requires DNR to waive the annual fee for admission to state trails for a resident service member. Each resident service member qualifies for the fee waiver for state parks and state trails only once.

Under current law, vehicles are exempt from the admission sticker requirement from November 1st to March 31st, and trail users are exempt from the admission fee requirement for state trails from October 27th to March 31st. This bill exempts a vehicle with a resident service member as an occupant from the admission sticker requirement on Veterans Day and during the three–day Memorial Day weekend and exempts a resident service member from a trail admission fee on these days.

RETIREMENT AND GROUP INSURANCE

Under current law, a Wisconsin Retirement System (WRS) participant who has applied to receive an annuity must wait at least 30 days between terminating WRS–covered employment and returning to WRS–covered employment as a participating employee, or the participant is not eligible to receive a WRS retirement annuity. This bill provides that the participant must remain separated from WRS–covered employment for at least 75 days to be eligible for an annuity.

Currently, when a WRS participant terminates employment and receives an annuity he or she may return to WRS–covered employment and either terminate the annuity and again become a WRS participating employee or, instead, continue to receive the annuity, as well as wages from WRS–covered employment. If a participant does not terminate the annuity, the participant may not be a WRS participating employee and, in the case of state employment, is not eligible for group insurance benefits, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status, is eligible for all group insurance benefits provided to other participating employees, and is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

The bill provides that if a WRS participant who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in WRS–covered employment in which he or she is expected to work at least two–thirds of what is considered full–time employment by DETF, the participant's annuity must be terminated and no annuity payment is payable until after the participant again terminates covered employment.

2011 Wisconsin Act 32 increased the number of hours that an employee must work in order to become a WRS participating employee from one–third to two–thirds of what is considered full–time employment, as determined by DETF by rule. Under 2011 Wisconsin Act 32, this change in law did not apply to those employees who were

first *hired* by a WRS employer before July 1, 2011, regardless of whether they were participating employees before that date. The bill provides that in order to be exempt from this change in law, an employee must have been a *participating employee* before July 1, 2011.

Federal law authorizes the establishment of health savings accounts, under which individuals and their employers may make tax–exempt contributions that can be used for the payment of medical expenses. Federal law sets annual contribution limits. As a condition of establishing a health savings account, an individual must be covered under a high–deductible health insurance plan. The specific requirements of the high–deductible plans are set in federal law, but generally require the payment of deductibles and certain out–of–pocket expenses before an individual's medical services are covered under the plan.

State employees receive health insurance through plans offered by the Group Insurance Board (GIB). This bill requires GIB, beginning on January 1, 2015, to offer a high–deductible health insurance plan and a health savings account. The bill also requires the state to make contributions into an employee's health savings account in an amount determined annually by the director of OSER.

Currently, the director of OSER establishes the amount that employees must pay for health insurance premiums, subject to a general provision that the state may not pay more than 88 percent of the average premium costs of the lowest cost health insurance plans. Under current law, health insurance plans are assigned to three different tiers, depending on cost.

This bill provides that the state may not pay more than 88 percent of the average premium costs of the health insurance plans in each tier. In addition, the bill provides that if any tier contains no health insurance plans, but is used to establish the premiums for employees who work and reside outside of the state, the amount these employees must pay is based on the premium contribution amount for that tier in the prior year, adjusted by the average percentage change of the premium contribution amount of the other tiers from the prior year.

The bill provides that craft employees must pay all of their health insurance premiums, unless otherwise determined by the director. A craft employee is a state employee who is a skilled journeyman craftsman, including the skilled journeyman craftsman's apprentices and helpers, but does not include employees not in direct line of progression in the craft. A craft employee may be either nonrepresented or in a collective bargaining unit.

Current law provides that GIB may not enter into an agreement to modify or expand any group insurance coverage in a manner that conflicts with laws or rules promulgated by DETF or that materially affects the level of premiums or the level of benefits under any group insurance coverage. This bill permits GIB to modify or expand benefits if the modification or expansion is required by law or would maintain or reduce premium costs for the state or its employees in the current or any future year.

The bill provides that, beginning in 2014, GIB must impose a premium surcharge for health care coverage for state employees and retired state employees who use tobacco products and may terminate the health care coverage of any eligible

employee who falsely claims that he or she does not use tobacco products. During 2014 and 2015, the surcharge is $50 a month. The bill further provides that the premium surcharges paid by annuitants who use tobacco products are be used to reduce future health care coverage premiums for annuitants and to reimburse DETF for costs incurred by DETF in providing health care coverage to annuitants.

WRS is established as a governmental plan and as a qualified plan for federal income tax purposes under the Internal Revenue Code (IRC). Under current law, no WRS benefit plan may be administered in a manner that violates a provision of the IRC that authorizes or regulates the benefit plan or that would cause an otherwise tax exempt benefit to become taxable under the IRC. This bill updates and conforms numerous provisions governing WRS benefits and the administration of the WRS to the IRC.

The bill requires the secretary of employee trust funds to submit an annual report to the secretary of administration and JCF on DETF's progress in modernizing its business processes and integrating its information technology systems.

The bill further provides that, during the 2013–15 fiscal biennium, the secretary of employee trust funds may request the governor to supplement any sum certain appropriation from the public employee trust fund for the purpose of modernizing business processes or integrating information technology systems of DETF. Upon receiving such a request, the governor may approve or modify the request and must notify JCF of the proposed action under JCF's passive review process.

The bill provides that, during the 2013–15 fiscal biennium, the secretary of employee trust funds may request the governor to create or abolish a full–time equivalent position or portion thereof that is funded from revenues deposited in the public employee trust fund if the employee holding the position would perform duties relating to modernizing business processes or integrating information technology systems. Upon receiving such a request, the governor may approve or modify the request. If the governor proposes to approve or modify the request, the governor must notify JCF of the proposed action under passive review.

This bill permits DETF to disclose information concerning the payment of annuities under WRS to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax–related prosecutions.

SAFETY AND PROFESSIONAL SERVICES

BUILDINGS AND SAFETY

Under current law, DSPS has various duties and powers relating to regulation of petroleum products and hazardous substances, including:

1. Prescribing grade specifications for gasoline and similar fuels and administering laws regulating the inspection and sale of those fuels and other petroleum products.

2. Regulating the installation, maintenance, and removal of tanks that contain flammable or combustible liquids or federally regulated hazardous substances (dangerous materials).

3. Administering a program to inventory aboveground and underground petroleum storage tanks.

This bill transfers these powers and duties, except for those that relate to the reviewing of plans for dangerous materials, from DSPS to DATCP.

PROFESSIONAL REGULATION

Under current law, DSPS regulates professional employer organizations and professional employer groups that contract with clients for, among other services, the nontemporary placement of employees with those clients. DSPS regulates the fund–raising activities of charitable organizations, professional fund–raisers, and fund–raising counsel. This bill transfers the regulation of professional employer organizations, professional employer groups, charitable organizations, professional fund–raisers, and fund–raising counsel from DSPS to DFI. Under the bill, DFI registers all of those persons and administers the laws governing their practices. The bill also gives DFI a number of general powers and duties concerning the regulation of those persons that are similar to many of the powers and duties DSPS exercises under current law.

STATE GOVERNMENT

STATE EMPLOYMENT

This bill establishes a pay progression plan for assistant state public defenders and assistant attorneys general, consisting of 17 hourly salary steps, with each step equal to one–seventeenth of the difference between the lowest and the highest hourly salary for the salary range for assistant state public defenders and assistant attorneys general. The pay progression plan is based entirely on merit.

Under the bill, beginning with the first pay period that occurs on or after July 1, 2013, all assistant state public defenders and assistant attorneys general who have served for a continuous period of 12 months or more and who are not paid the maximum hourly rate must be paid an hourly salary at the step that is immediately above their hourly salary on June 30, 2013. All other assistant state public defenders and assistant attorneys general who are not paid the maximum hourly rate must receive the same increase when they have served with the state as assistant state public defenders or assistant attorneys general for a continuous period of 12 months.

In addition, beginning with the first pay period that occurs on or after July 1, 2014, and with the first pay period that occurs on or after each succeeding July 1, all assistant state public defenders and assistant attorneys general who have served for a continuous period of 12 months or more and who are not paid the maximum hourly rate may, at the discretion of the state public defender or the attorney general, be paid an hourly salary at any step, or part thereof, above their hourly salary on the immediately preceding June 30. All other assistant state public defenders and assistant attorneys general or the attorney general who are not paid the maximum hourly rate may, at the discretion of the state public defender or the attorney general, be paid an hourly salary at any step, or part thereof, above their hourly salary on the immediately preceding June 30, when they have served for a continuous period of 12

months. The bill provides, however, that no salary increase may exceed 10 percent during a fiscal year.

This bill attaches the Wisconsin Employment Relations Commission (WERC) to DWD. Currently, WERC is an independent state agency. The bill also eliminates a requirement that WERC commissioners not have other employment and provides that newly appointed commissioners are appointed to two–thirds of a full–time equivalent position.

Currently, each cabinet secretary may appoint an executive assistant to perform duties prescribed by the secretary. This bill eliminates this power and instead authorizes each secretary to appoint an assistant deputy secretary to perform duties prescribed by the secretary. This bill allows the attorney general to appoint, in the unclassified service of the state civil service system, a solicitor general and up to three deputy solicitors general and to assign assistant attorneys general to assist the solicitor general.

STATE FINANCE

Current statutes provide that no bill directly or indirectly affecting general purpose revenues may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total general purpose revenue appropriations for that fiscal year. Currently, for fiscal years 2015–16 and 2016–17, and for each fiscal year thereafter, the amount is 2 percent of total general purpose revenue appropriations for that fiscal year. This bill provides that for fiscal years 2015–16 and 2016–17, the amount is $65,000,000; and for 2017–18 and each fiscal year thereafter, the amount is 2 percent of total general purpose revenue appropriations for that fiscal year.

Currently, in any fiscal year, the secretary of administration may temporarily reallocate moneys to the general fund from other state funds in an amount not to exceed, at any one time, 5 percent of the total general purpose revenue appropriations for that fiscal year. This bill increases that maximum amount to 9 percent.

This bill transfers:

1. $16,000,000 from the petroleum inspection fund to the transportation fund in each year of the fiscal biennium.

2. $23,000,000 from the general fund to the transportation fund in the fiscal biennium.

3. $750,000 from the agrichemical management fund to the environmental fund in fiscal year 2013–14.

4. $5,300,000 from the general fund to the veterans trust fund in fiscal year 2013–14.

STATE PROCUREMENT

Current law generally authorizes state agencies to purchase materials, supplies, or equipment. With some exceptions, purchases for which the estimated cost exceeds $50,000 require bids to be invited or proposals to be solicited. Also, under current law, if a state agency enters into or renews a contract for services that involves an estimated expenditure of more than $25,000, the agency must conduct either a uniform cost–benefit analysis for a new contract or a continued

appropriateness review for a contract renewal. This bill raises the threshold to $50,000 for either and exempts the following services: services that must, by law, be performed by contract; services incidental to the purchase of a commodity; services that must be provided per a contract, license, or warranty; services that cannot be performed by state employees; services that are expected to be completed within 12 months; and Web–based software application services that are delivered and managed remotely.

Current law requires DOA to certify a business as a disabled veteran–owned business, a woman–owned business, or a minority business, but has different requirements for each certification. DOA may certify a business as a minority business if another state agency, a municipality, the federal government, an American Indian tribe, or, if it uses substantially the same procedures as DOA would use, a private business certifies the business as such. This bill makes the certification practice consistent by permitting DOA to certify a business as a disabled veteran–owned business or a woman–owned business if one of the entities listed above certifies it as such.

Under current law, DOA must maintain a list of entities that are ineligible for state contracts because they have violated a state procurement contract or a statute governing state procurement. This bill requires DOA to include on the list an entity that has been debarred from contracting with the federal government or any other state agency.

Under current law, in a report that DOA submits to the governor and the legislature, DOA must document how the division of legal services has reduced the state's use of contracted employees. This bill eliminates the requirement that the report include this information.

Under current law, with some exceptions, DOA must let by contract to the lowest qualified responsible bidder all construction work when the estimated construction cost of the project exceeds $50,000 or, if the estimated cost is less, when contracting is in the best interest of the state. This bill requires DOA, for any project that has an estimated construction cost that exceeds $185,000, to let the project to the lowest qualified responsible bidder through single prime contracting, which is a process in which DOA selects all mechanical, electrical, and plumbing contractors, but contracts only with a general prime contractor, who then must contract with the selected mechanical, electrical, and plumbing contractors. This bill also requires DOA to certify persons as qualified and responsible and provides criteria for such certification.

OTHER STATE GOVERNMENT

Currently, with certain exceptions, DOA may sell or lease state–owned real property if DOA determines that the sale is in the best interest of the state and the Building Commission approves the sale. Also currently, various state agencies have authority to sell real property under their jurisdiction subject to various conditions and limitations. DOA's authority does not operate to permit the closure or sale of any facility or institution the operation of which is required by law and does not extend to property under the jurisdiction of the Board of Regents of the UW System. The net proceeds of any sale by DOA are used to retire any outstanding public debt that

was incurred to acquire, construct, or improve the property or as required by any applicable federal law or under the terms of any applicable gift or grant. DOA must use any remaining net proceeds to retire other outstanding public debt.

Currently, with certain exceptions, the Building Commission may also sell state–owned real property where this authority is not given to another state agency by law, and may transfer land under its jurisdiction among agencies. Any sales of surplus land having a value of at least $20,000 are subject to the approval of JCF. However, the Building Commission does not have the authority to sell a parcel of state–owned real property once DOA notifies the commission that an offer of sale or sale with respect to the parcel is pending. The net proceeds of any sales by the Building Commission must be used to retire any public debt that was used to acquire or construct improvements on the property being sold. Any remaining net proceeds must be deposited in the budget stabilization fund.

This bill permits DOA or the Building Commission to sell or lease any state–owned real property unless prohibited by the state or federal constitution or federal law. Sales by DOA are subject to the approval of the Building Commission. The bill does not apply to sales conducted to enforce an obligation to this state. The bill retains most of the existing exemptions from DOA's sales authority but eliminates the current exemption allowing the Board of Regents of the UW System to sell or lease state–owned real property independently of DOA. Under the bill, if DOA or the Building Commission notifies the Board of Regents that an offer of sale, sale, or lease is pending with the respect to a parcel of property, the Board of Regents does not have authority to sell or lease that property. The bill eliminates the current exception that exempts sales that would necessitate the closure of a facility or institution which is provided for by law. However, the bill does not repeal any statutes that require the operation of any facilities or institutions. Therefore, if DOA or the Building Commission sells all the real property that is currently used to operate a facility or institution, the facility or institution would need to continue in operation. Under the bill, except with respect to exempt property, if any agency has authority to sell or lease real property under any other law, the authority of that agency does not apply after DOA or the Building Commission notifies the agency in writing that an offer of sale or sale, or a lease agreement, is pending with respect to the property. Under the bill, DOA and the Building Commission must first use the net proceeds of any sale or lease to retire any public debt that was used to finance the acquisition, construction, or improvement of the property that is sold. Thereafter, DOA and the Building Commission must use the net proceeds of any sale or lease to pay the costs of federal tax law compliance applicable to the debt. The bill directs DOA and the Building Commission to use the remaining net proceeds of any sale or lease, subject to current requirements, to retire any revenue obligation debt in the fund that was used to acquire, construct, or improve property that was sold and thereafter to pay the costs of federal tax law compliance applicable to the debt, and thereafter, retire other similar revenue obligations. Thereafter, DOA and the Building Commission are directed to use any remaining net proceeds to retire other outstanding public debt. The bill provides that if any property that is proposed to be sold by DOA or the Building Commission is co–owned by a nonstate entity, DOA

or the commission must afford to the co–owner the right of first refusal to purchase the share of the property owned by the state on reasonable financial terms established by DOA or the commission.

The bill also provides that if DOA sells or leases a state–owned heating, cooling, or power plant, DOA may contract for the operation of any function that is performed by the state on the property. The bill provides that if DOA or the Building Commission sells or leases, or if DOA contracts with a purchaser or lessee, for the operation of a state–owned heating, cooling, or power plant that is under the jurisdiction of a state agency, the agency must convey all real and personal property associated with the plant to the purchaser or lessee on terms specified by DOA or the Building Commission.

In addition, the bill modifies the authority of the Building Commission to sell or lease state–owned buildings, structures, and land to parallel the authority of DOA so that the authority includes property under the jurisdiction of the Board of Regents of the UW System and is not generally limited by sales authority given to state agencies, and so that distribution of sales proceeds is accomplished in the same manner as proceeds of DOA's sales are distributed. The bill deletes the current limitation that certain sales of surplus land are subject to approval of JCF. The bill directs each state agency to submit to DOA biennially an inventory of all real property under its jurisdiction, together with the estimated fair market value of each property. Under the bill, DOA must obtain appraisals of all properties in the inventory that are identified by DOA for potential sale and submit to the Building Commission an inventory containing a location, description, and fair market value of each property identified for potential sale.

This bill creates a capital investment program in DOA and appropriates $25,000,000 in general purpose revenue for the program in fiscal year 2013–14. The purpose of the program is to make coinvestments in business startups and investment capital projects.

This bill creates a broadband expansion program under which DOA, in consultation with PSC, makes broadband expansion grants from the universal service fund for the purpose of constructing broadband infrastructure in underserved areas.

Under current law, DOA administers a program for making grants from the utility public benefits fund to provide assistance to low–income households for 1) weatherization and conservation assistance; and 2) payment of energy bills and early identification or prevention of energy crises (bill and crisis assistance). In each fiscal year, DOA must ensure that the amount spent under the program on grants for weatherization and conservation assistance is equal to 47 percent of a sum that is calculated for the fiscal year and that 53 percent of the sum is spent on grants for bill and crisis assistance. This bill requires instead that 50 percent of the sum must be allocated for grants for weatherization and conservation assistance, resulting in 50 percent for grants for bill and crisis assistance. The bill also makes changes to how the sum is calculated, including eliminating certain federal funding amounts from the calculation.

Under current law, counties collect a $25 fee for recording or filing most instruments that are recorded or filed with a register of deeds. Counties must remit $10 of each fee to DOA, which DOA uses to make land records modernization grants. If a county meets certain requirements, the county may retain $8 of each $10 fee that would otherwise be payable to DOA. In addition, counties may temporarily collect a $30 fee for recording or filing most instruments that are recorded or filed with a register of deeds if the county uses $5 of each fee for redacting social security numbers from certain electronic format records. Under this bill the $30 fee is made permanent and counties must remit $15 of each fee to DOA.

Currently, DOA may provide legal services to any executive branch state agency that has a secretary who serves at the pleasure of the governor. This bill provides that DOA may also provide legal services to an executive branch state agency that does not have a secretary who serves at the pleasure of the governor, but only at the request of the state agency.

This bill permits DOA to transfer information technology infrastructure services staff and equipment from another executive branch agency, other than the Board of Regents of the UW System, to DOA. The bill also permits DOA to assess executive branch agencies for information technology infrastructure services provided by DOA.

This bill authorizes the secretary of administration to maintain intergovernmental affairs offices to conduct public outreach and promote coordination among state agencies and authorities.

TAXATION

INCOME TAXATION

Under current law, there are five income tax brackets, which are indexed for inflation. The rate of taxation under current law for the lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons is 4.60 percent of taxable income; the rate for the second bracket is 6.15 percent; the rate for the third bracket is 6.50 percent; the rate for the fourth bracket is 6.75 percent; and the rate for the highest bracket is 7.75 percent.

With regard to taxable year 2012, for single individuals, certain fiduciaries, and heads of households, for example, the lowest bracket applies to taxable income of over $0 up to $10,570; the second bracket applies to taxable income over $10,570 up to $20,360; the third bracket applies to taxable income over $20,360 up to $158,500; the fourth bracket applies to taxable income over $158,500 up to $232,660; and the fifth, or top, bracket applies to taxable income over $232,660.

For taxable years beginning after December 31, 2012, this bill lowers the rate of taxation in each of the first three brackets; the rates in the top two brackets remain unchanged. Under the bill, the tax rate in the lowest bracket is reduced to 4.50 percent; the rate in the next higher bracket is reduced to 5.94 percent; and the rate in the next higher bracket is reduced to 6.36 percent. The brackets will continue to be indexed for inflation.

Under current law, the veterans and surviving spouses property tax credit may be claimed by certain U.S. armed forces veterans and by the unremarried surviving spouses of certain veterans or members of the national guard or reserves

(collectively, "veterans"). To be eligible to claim the credit, the veteran must meet several criteria, including criteria related to the veteran's residency in this state and his or her disability rating. Similarly, to be eligible to claim the credit as a spouse of a veteran, the veteran to whom the unremarried surviving spouse was married must have met these same residency and disability criteria.

In general, the credit may currently be claimed in an amount equal to the property taxes paid by the claimant on the veteran's principal dwelling in the year to which the claim relates. If the amount of the credit for which a claimant is eligible exceeds the claimant's income tax liability, the excess amount of the credit is paid to the claimant by check (refundable tax credit).

For taxable years beginning after December 31, 2013, this bill expands the definition of eligible unremarried surviving spouse to include an individual who is eligible for, and receives, dependency and indemnity compensation from the federal government due to his or her spouse's status as a veteran whose death was service–connected.

This bill creates penalties for a person who negligently or fraudulently files an incorrect claim for a tax refund or credit. The penalty for negligence is 25 percent of the difference between the amount claimed and the amount that should have been claimed, and the penalty for fraud is 100 percent of the difference between the amount claimed and the amount that should have been claimed. In addition, any person, other than a corporation or limited liability company, who files an income tax return in which the person tries to obtain a refund or credit with fraudulent intent is guilty of a Class H felony.

This bill prohibits an individual who files a fraudulent claim for an earned income tax credit or homestead tax credit (credit) from filing a claim for either credit for ten years. The bill also prohibits an individual who files a reckless claim for one of these credits from filing a claim for either credit for two years. Under the bill, a claim is fraudulent if it is false or excessive and filed with fraudulent intent, as determined by DOR, and a claim is reckless if it is improper, due to reckless or intentional disregard of the provisions of the income tax statutes or of rules and regulations of DOR, as determined by DOR.

Under current law, capital gains on certain Wisconsin–sourced capital assets are exempted from taxation. For taxable years beginning after December 31, 2015, an individual; an individual partner or member of a partnership, limited liability company, or limited liability partnership; or an individual shareholder of a tax–option corporation (claimant) may subtract from federal adjusted gross income the lesser of the claimant's federal net capital gain as reported on the claimant's federal tax return if, in that year, the claimant had a qualifying gain, or the claimant's qualifying gain.

The capital gains exemption defines "qualifying gain" as the gain realized by the sale of any asset that is purchased after December 31, 2010, held for at least five consecutive years, is a Wisconsin capital asset at the time of purchase and for at least two of the next four years, and treated as a long–term gain under federal law. A "Wisconsin capital asset" is real or tangible personal property that is located in this state and used in a Wisconsin business, or stock or other ownership interest in a

Wisconsin business. Currently, a business may apply to WEDC for annual certification for the exemption. WEDC may certify a business if it determines that, in the taxable year ending immediately before the date of the business's application, at least 50 percent of the business's payroll is paid in Wisconsin and at least 50 percent of the value of the business's real and tangible personal property is used by the business in this state.

This bill transfers from WEDC to DOR the responsibility for registering a business, subject to the business meeting the same conditions related to payroll and the value of the business's real and tangible personal property as is the case under current law certification. Also under the bill, excluded gain is not limited to net capital gain, and the bill clarifies that the exclusion is for gain on investments in a business and not for individual assets of the business.

Under current law, there are two income tax deferrals for capital gains that are reinvested in qualified Wisconsin businesses. Under one of the deferrals (long–term deferral), a claimant may elect to defer the payment of income taxes on up to $10,000,000 of the gain realized from the sale of any capital asset held more than one year (original asset) that is treated as a long–term gain under the Internal Revenue Code (IRC), if the claimant completes a number of requirements. Under the bill, the long–term deferral may no longer be claimed for taxable years beginning after December 31, 2013.

Under the other deferral (Wisconsin assets deferral), a claimant may elect to defer the payment of income taxes on any amount of the gain realized from the sale of any capital asset held more than one year (original new asset) that is treated as a long–term gain under the IRC, if the claimant completes a number of requirements.

Under this bill, for taxable years beginning after December 31, 2013, the current requirement that the gain realized from the sale of the applicable long–term asset be deposited into a segregated account in a financial institution does not apply. This bill transfers from WEDC to DOR the responsibility for registering a business under the Wisconsin assets deferral.

Under current law, an individual may claim as an income tax credit an amount equal to 25 percent of the individual's angel investment in a qualified new business venture in this state. The total amount of angel investment credits that all taxpayers may claim in all taxable years combined is $47,500,000. This bill eliminates the limit of the total amount of angel investment credits that taxpayers may claim.

This bill adopts, for state income and franchise tax purposes, changes made to the IRC related to transferring retirement plan amounts to designated ROTH accounts without distribution, limiting the amount of salary reduction for a health care flexible spending arrangement, eliminating a deduction for expenses allocable to a Medicare, Part D subsidy, increasing the threshold for itemized medical expense deductions from 7.5 percent to 10 percent of adjusted gross income, increasing the penalty for nonqualified distributions from a health savings account, and limiting the deduction for remuneration paid by health insurance providers.

The bill also adopts the changes made to the IRC related to free choice vouchers, corporate repurchasing of convertible debt instruments, pension funding rules for determining segment rates, transfers from excess pension assets to retiree medical

accounts or for purchasing retiree group term life insurance, phased retirements, the installment method for accrual basis taxpayers, and the tax treatment of Blue Cross and Blue Shield organizations.

Under current law, an eligible claimant may claim a refundable farmland preservation tax credit (farmland credit) based on the number of the claimant's qualified acres and the type of zoning district in which the acres are located. Also under current law, the maximum amount of farmland credits that may be claimed in any fiscal year may not exceed $27,007,200. If the amount of eligible claims exceed this amount, the excess claims are paid in the next succeeding fiscal year and DOR must prorate the per acre amounts that may be claimed.

Under this bill, the maximum amount of farmland credits that may be claimed in the 2013–14 fiscal year, and in any succeeding fiscal year, may not exceed $25,304,300 and the treatment of excess claims and proration are the same as under current law.

Under current state law, certain individuals may claim an income tax deduction for amounts paid for medical care insurance for the individual, his or her spouse, and his or her dependents. Under the federal Patient Protection and Affordable Care Act (PPACA), beginning in 2014 certain individuals will be eligible to receive premium assistance in the form of federal tax credits to make it more affordable for such individuals to purchase medical care insurance.

This bill clarifies that the current state income tax deduction for medical care insurance may not be claimed for any amount that is paid for with a premium assistance credit under the PPACA.

Under current law, a health care provider may claim an income and franchise tax credit equal to 50 percent of the amount that the health care provider paid in the taxable year for information technology hardware or software that is used to maintain medical records in electronic form. Under this bill, no health care provider may claim the credit for taxable years beginning after December 31, 2013.

Under this bill, generally, a person who is subject to an assessment or audit determination by DOR is not liable for any amount that DOR asserts that the person owes if the liability asserted is the result of a tax issue that existed in a prior assessment or audit, a DOR employee involved in the prior assessment or audit knew of the tax issue, and DOR did not assert the liability for the tax issue at the time of the prior assessment or audit.

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire information technology hardware or software. Under the bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued for the benefit of a person who is eligible to receive bond proceeds from another entity for the same purpose and the interest income received from the other bonds is exempt from taxation.

Under current law, if a person who is liable for income taxes fails to pay the taxes within ten days from the date that the taxes become delinquent, DOR may obtain the person's real or personal property and sell that property to pay the delinquent taxes. After DOR obtains the property, DOR must notify the property

owner, in writing, that it has obtained the property and that the property will be sold if the delinquent taxes are not paid. DOR must also post a public notice of the sale. This bill allows DOR to provide notice of obtaining a person's property in the manner prescribed by DOR. Under the bill, DOR does not have to provide notice to the property owner of the sale of the person's property, but must still post a public notice of the sale.

PROPERTY TAXATION

Under current law, solar energy systems and wind energy systems are exempt from personal property taxes. Under this bill, biogas energy systems are also exempt from personal property taxes.

Under this bill, the state no longer appropriates moneys from the lottery fund to pay a portion of the school levy property tax credit.

OTHER TAXATION

Under current law, in order to offer cigarettes for sale in this state, a cigarette manufacturer must have a valid permit issued by DOR and pay the cigarette tax on all cigarettes offered for sale in this state. Cigarette manufacturers must also comply with fire safety standards for cigarettes and with the master settlement agreement entered into with U.S. tobacco product manufacturers. This bill specifies that a cigarette manufacturer includes a person who owns an automated roll–your–own machine that is used to make cigarettes, but does not include an individual who owns a roll–your–own machine and uses the machine solely to make cigarettes for his or her personal use or for the use of other individuals who live in his or her home.

This bill creates a sales and use tax exemption for items and services sold as part of a contract to perform real property construction activities and for which the contractor quotes the charge for labor, services of subcontractors, and materials as one price.

Under current law, the sale of tangible personal property, animals, and certain other items to a person who is primarily engaged in biotechnology or manufacturing in this state is exempt from the sales and use tax if the property, animals, or items are used for qualified research. This bill allows a member of a combined group of corporations to claim the exemption if another group member is conducting qualified research for the member who is engaged in biotechnology or manufacturing in this state.

Under current law, a retailer submits the sales and use taxes that the retailer collected during each calendar quarter to DOR no later than the last day of the month following the end of the previous calendar quarter. If, however, a retailer collects more than $600 in any calendar quarter, DOR may require the retailer to submit the taxes no later than the last day of the month following the month in which the taxes are collected. Under this bill, if a retailer collects more than $1,200 in any calendar quarter, DOR may require the retailer to submit the taxes no later than the last day of the month following the month in which the taxes are collected.

Under current law, DOR may enter into agreements with other states to provide for offsetting Wisconsin tax refunds against tax obligations of other states and offsetting tax refunds of other states against Wisconsin tax obligations. Under this bill, DOR may also enter into agreements with other states to provide for offsetting

Wisconsin tax refunds against nontax obligations of other states and offsetting tax refunds of other states against Wisconsin nontax obligations.

Under current law, instead of paying local general property taxes, public utilities and telephone companies pay taxes imposed by the state based on property value. These taxes are referred to as ad valorem taxes. Under this bill, DOR may use the same methods used for collecting delinquent income taxes, including imposing a levy on a taxpayer's property, to collect delinquent ad valorem taxes owed by public utilities and telephone companies.

Under current law, DOR may write off from its records all sales, use, withholding, motor vehicle fuel, gift, beverage, and cigarette tax liabilities that it determines are not collectible. This bill allows DOR to write off all tax and fee liabilities it determines are not collectible.

Under current law, the printing of tangible personal property is not a service subject to the sales and use tax if it results in catalogs or other printed materials designed to promote the sale of merchandise. Under this bill, printing of tangible property that results in advertising and promotional direct mail is also not subject to the sales and use tax.

TRANSPORTATION

HIGHWAYS

This bill makes changes with respect to which highway operations and activities are considered highway improvements and which are considered highway maintenance, which affects the source of funding for these operations and activities. However, under the bill, some highway operations and activities, such as maintenance for roadside improvements and private contractor maintenance, can be funded from more than one appropriation. Under this bill, highway maintenance activities no longer include, and highway improvements no longer exclude, the installation, replacement, or rehabilitation of traffic control signals and intelligent transportation (IT) systems, but maintenance of traffic control signals and IT systems are still considered maintenance activities. The bill limits DOT's expenditure, from certain highway improvement appropriations, of moneys for the installation, replacement, or rehabilitation of traffic control signals and IT systems to a total of $20,000,000 in any fiscal year.

This bill allows DOT to enter into sponsorship agreements under which DOT displays a sponsor's advertising or promotional material at locations owned or controlled by DOT in exchange for the sponsor's payment of fees or provision of services to DOT. The bill also allows DOT to enter into partnership agreements under which DOT authorizes a partner to engage in commercial activity at locations owned or controlled by DOT in exchange for the partner's payment of fees or provision of services to DOT. Fees received by DOT under these agreements may be used by DOT for, among other purposes, maintenance and repair of state trunk highways and roadside improvements. Contracts for sponsorship agreements and partnership agreements must be awarded on the basis of competitive proposals.

The bill does all of the following:

1. Allows general obligation bonds, in an amount not exceeding $200,000,000, to be used to fund high–cost state highway bridge projects, which are projects

involving the construction or rehabilitation of a bridge on the state trunk highway system that have a total estimated cost of more than $150,000,000.

2. Authorizes an additional $107,000,000 in general obligation bond proceeds to fund the Zoo interchange project and the I 94 north–south corridor project.

3. Authorizes an additional $200,000,000 in general obligation bond proceeds to fund southeast Wisconsin freeway megaprojects. Debt service on these bonds is paid from the general fund.

4. Increases the revenue bond limit, from $3,351,547,300 to $3,768,059,300, for major highway projects and transportation administrative facilities.

This bill eliminates DOT's bicycle and pedestrian facilities program, transportation enhancement activities program, safe routes to school program, and traffic marking enhancement program and creates instead a transportation alternatives program. Under this program, DOT may award grants to political subdivisions for transportation alternatives activities such as: construction, planning, and design of trail facilities and infrastructure–related projects for pedestrians, bicyclists, and other nondrivers; trail conversion of abandoned railroad corridors; construction of overlooks and viewing areas; and preservation of historic transportation facilities.

Under current law, if a highway or bridge that is not on the state trunk highway system (highway) is damaged by flood, the county or municipality having jurisdiction over the highway may petition DOT for payment of flood damage aid to cover part of the repair or replacement cost. This bill expands DOT's flood damage aid program to a disaster damage aid program. Under the bill, a "disaster" is defined as any of the following: 1) a severe storm, flood, fire, tornado, mudslide, or other natural event external to a highway; 2) the sudden failure of a major element or segment of the highway system due to a cause that is external to a highway; or 3) an event or recurring damage caused by any governmental unit or person acting under the direction or approval of, or permit issued by, any governmental unit and in response to an event described in item 1) or 2). The bill also prohibits DOT from paying disaster damage aid in excess of $1,000,000, in connection with disaster damage resulting from a single disaster, unless the governor approves the payment of aid.

Under current law, beginning July 1, 2014, DOT must maintain an inventory of completed designs for highway projects under the major highway projects program and the reconditioning, reconstruction, and resurfacing projects program. Under this bill, the estimated costs of the inventory of projects for each program must be not less than 20 percent of the annual amount of funding provided to each program.

This bill repeals a provision of current law that prohibits a southeast Wisconsin freeway rehabilitation project from adding vehicle lanes on I 94 adjacent to Wood National Cemetery.

DRIVERS AND MOTOR VEHICLES

Current law includes certain regulation of motor carriers engaged in interstate commerce. This bill imposes the same regulation on motor carriers engaged in intrastate commerce.

This bill increases the per pound of excess weight forfeiture rates that are imposed for unlawfully operating vehicles exceeding weight limits without a permit.

This bill also increases the penalty for a second conviction for violating weight limits while transporting raw forest products.

TRANSPORTATION AIDS

Under current law, DOT provides state aid payments from the transportation fund to local public bodies in urban areas served by mass transit systems to assist the local public bodies with the expenses of operating those systems. This bill changes the funding source for those aids from the transportation fund to the general fund beginning on July 1, 2014.

RAIL AND AIR TRANSPORTATION

This bill increases the authorized general obligation bonding limit to $216,500,000 to acquire railroad property and provide grants and loans for railroad property acquisition and improvement.

OTHER TRANSPORTATION

This bill requires DOT to administer a surveying reference station system that consists of monuments that are used to generate latitude, longitude, and elevation data; reference stations that continuously transmit global positioning system data to a system server; and the system server, which receives and processes the data received from the reference stations. The bill also permits DOT to charge a fee to persons who access the system in an amount to be established by rule. All access fees received by DOT are appropriated for system maintenance and operation costs.

Under current law, a person who is convicted of certain violations relating to operating a vehicle while intoxicated must pay a driver improvement surcharge of $365 in addition to any applicable forfeiture or fine, assessments, and costs. A portion of the money collected from this surcharge is provided to DOT for chemical testing training and services provided by the state traffic patrol. Under this bill, driver improvement surcharge money is no longer provided to DOT for the chemical testing training and services provided by the state traffic patrol. The training and services are instead funded from the transportation fund.

This bill increases the authorized general obligation bonding limit to $87,500,000 to provide grants for harbor improvements.

VETERANS

Current law imposes certain state residency requirements that apply to veterans and widows, widowers, and parents of living and deceased veterans who are seeking admission to veterans homes operated by the state. Also, under current law, DVA administers a priority system for admissions into a veteran home. Under the system, veterans have first priority, spouses have second priority, surviving spouses have third priority, and parents of veterans have fourth priority.

This bill eliminates all residency requirements, but gives priority to residents over nonresidents. The bill establishes a priority system within each of the four priority levels described above. Under the system, state residents who have resided in the state for more than six continuous months before the date of application have first priority, other state residents have second priority, and nonresidents have third priority.

Current law imposes certain state residency requirements on veterans and members of the U.S. armed forces for burial in a state veterans cemetery. This bill expands eligibility for burial in a state veterans cemetery to include anyone who is a resident of a state veterans home. The bill also requires DVA to maintain a waiting list for each cemetery and to give priority to state residents over nonresidents.

Current law imposes certain state residency requirements for a veteran to receive assistance based on the veteran's homelessness, incarceration, or other circumstances established by DVA. Such a veteran may be eligible for assistance from DVA only if the veteran is a resident of and living in Wisconsin at the time the veteran applies for assistance. The bill eliminates those residency requirements.

The bill directs DVA to pay $500,000 in fiscal year 2013–14 to VETransfer, Inc. (VETransfer), an organization that provides training and other assistance to veterans engaged in entrepreneurship. The bill requires VETransfer to use those moneys to make grants to Wisconsin veterans or their businesses to cover costs associated with the start–up of veteran–owned businesses in Wisconsin and to provide entrepreneurial training and related services to Wisconsin veterans. VETransfer must repay to the state any moneys not used by June 30, 2017, but DVA may extend that deadline.

The bill authorizes DVA to grant up to $50,000 annually to the Wisconsin department of the American Legion for the operation of Camp American Legion located in the town of Lake Tomahawk.

The bill modifies the amount of annual payments that DVA must make to certain federally recognized state veterans organizations in Wisconsin based on the amount a state veterans organization pays each year to its employees who provide certain services to veterans in Wisconsin.

Under current law, DVA is required to pay $100,000 annually to the Wisconsin department of the Disabled American Veterans for the provision of transportation services to veterans. The bill increases that amount to $120,000.

Under current law, DVA may make annual grants of up to $8,500 to American Indian tribes or bands for the improvement of a tribe's or band's services to veterans. The bill increases that authorization to up to $15,000 for each grant DVA makes to an American Indian tribe or band.

The bill establishes a tuition reimbursement program for veterans enrolled in the College of Menominee Nation or Lac Courte Oreilles Ojibwa Community College (tribal colleges). Under the bill, subject to certain limitations, DVA is generally required to reimburse a veteran for up to 120 credits of tribal college tuition if the veteran applies to DVA for reimbursement, is enrolled as a member of a federally recognized American Indian tribe or band in Wisconsin, and satisfies the bill's other eligibility requirements.

Under current law, the Board of Veterans Affairs (board) may approve or veto plans or modifications for established state veterans memorials and make recommendations for future memorials. This bill restricts the board's authority only to proposals for plans or modifications of memorials for which DVA has estimated that the costs will exceed $25,000.

Under current law, each nursing home is required to pay the state an assessment of not more than $170 per bed, per month. The assessment revenue is deposited in the MA trust fund and is generally expended for MA services for which the federal government contributes a share of the costs. Current law exempts Wisconsin veterans homes from having to pay the assessment for the 2011–13 fiscal biennium. This bill makes the exemption permanent.

Under current law, DVA employs commandants for the administration of veterans homes. Among other duties, a commandant may receive, disburse, and account for the personal funds of a resident of the veterans home the commandant oversees. Under the bill, the secretary of DVA or the secretary's designee may also receive, disburse, and account for the funds of a veterans home resident.

Under current law, documents that are evidence of service in the United States armed forces and that are in the possession of DVA may be disclosed only to veterans or their duly authorized representatives. Under current law, a "duly authorized representative" is a person who has written authorization from a veteran to act on his or her behalf, a guardian if the veteran has been adjudicated incompetent, or a legal representative if the veteran is deceased. A spouse or adult child of a veteran or a parent of an unmarried veteran may be also be considered a duly authorized representative of the veteran if there is no written authorization, guardian, or legal representative. This bill expands this list of relatives to include an adult sibling of a veteran.

Under current law, DWD administers the federal Disabled Veterans' Outreach Program, under which DWD employs specialists to provide services to meet the employment needs of eligible veterans, and the federal Local Veterans' Employment Representative Program, under which DWD employs representatives to facilitate employment, training, and placement services for veterans. This bill requires DWD and DVA, jointly, to prepare and submit to the secretary of the federal Department of Labor (secretary) a plan to transfer administration of those programs from DWD to DVA. If the secretary approves the plan, responsibility for administration of those programs is transferred from DWD to DVA.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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